

**Scrutiny – 20 September 2007**

## **POST OFFICE NETWORK CHANGE PROGRAMME**

### **Report of Head of Community Regeneration**

**Statutory Powers:** Local Government Act 2000

**Financial Implications:** None foreseen

#### **Purpose:**

The purpose of this report is to raise awareness of the imminent threat to vital local services by closure of local Post Office outlets in a vulnerable rural area, analogous with other similar rural districts.

### **RECOMMENDATION**

**That the Scrutiny Committee RESOLVES to note the report.**

#### **Introduction and Background**

1. The government announced in December 2006 that about 2,500 post offices across the country are expected to close by 2009 because of rising losses and fewer people using the network. Losses are running at £4 million a week, twice as much as in 2005. The closure programme suggests that 18% of the network will be lost.
2. The government also announced a £1.7 billion five-year investment package to help the Post Office modernise, restore profitability in its main offices, invest in new products and look at innovative ways to deliver services, although details are not yet clear. Amongst these initiatives is an 'outreach service' that is not well understood without further explanation.
3. The DTI released a consultation document in early 2007 that described the government's future funding arrangements and structural plans for both the urban and rural parts of the network. South Hams District Council submitted its response on 6 March 2007.
4. Having considered the responses, the Government then announced its policy on the future of the Post Office Network in May 2007. The country has been divided into 50-60 areas and each will have a local area plan drawn up which will be subject to a detailed planning process. There will be a rolling programme throughout the country for the Local Area Plans with Devon being one of the last to be completed.
5. In February 2008, there will be a 6 week consultation period directly with the Post Offices to discuss closures.
6. A consultation with Local Authorities, Devon County Council, MPs and other appropriate bodies will take place April 2008. Each Local Authority will receive a blue print of PO closures and have an opportunity to respond within a 6 week timeframe.

7. Tim Nickells, Development Manager South West, Post Office Ltd will be attending the Scrutiny meeting to inform Members about the change programme and provide an opportunity for Members' questions.

**8. Risk Assessment**

Risk	Mitigation
Social exclusion for the elderly, disadvantaged, vulnerable and least mobile in the community, particularly in an area predominantly rural and sparsely populated such as the South Hams.	An awareness campaign: eg: West Devon Scrutiny Committee is investigating the potential consequences to the rural community and encouraging public engagement.
Access to services is a Council priority; poor public transport infrastructure beyond the main routes adversely affects household on low disposable incomes, and others in particularly disadvantaged groups.	Council is mindful of these aspects of disadvantage and will argue strongly against external influences that aggravate an already unacceptable situation.
Impact on sustainable communities	As above
Post office closures could have an impact on the sustainability of village shops and services.	As above
The Council's Reputation	A failure to address issues that affect the well-being of the district's residents could damage the Council's reputation; hence, there is a need for the Council to confront issues arising from the Post Office Network review that adversely affect local communities.

**Conclusion**

9. The underlying reason for the Post Office Network Change programme is to modernise and re-shape the network to eliminate increasing losses to the Network of £4 million weekly. However, there are severe concerns about the impact on service delivery in rural areas, particularly in relation to accessibility for the elderly and immobile, and indeed those generally socially disadvantaged.

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**Background Documents:**

LGA Consultation Response to DTI – March 2007

SHDC Consultation Response to DTI - 06 March 2007

The Post Office Network (Government Response to public consultation) – May 2007