
POST OFFICE NETWORK CHANGE PROGRAMME
BOROUGH COUNCIL RESPONSE TO CONSULTATION

Responsible Cabinet Member - Councillor John Williams, Leader and Economy Portfolio

Responsible Director - Ada Burns, Chief Executive
Richard Alty, Assistant Chief Executive (Regeneration)

Purpose of Report

1. To seek endorsement of the response to consultation sent on behalf of the Council to Post Office Ltd (POL) in respect of the proposed closure of five post office branches within the Borough as part of the national network change programme. The substance of the response is set out below.
2. To inform Members of the consultation responses of members of the public which the Council has forwarded to POL together with a petition against the closures.

Background

National Context

3. The Government announced last May that change was needed to modernise and reshape the network of post offices in Britain. It acknowledged that post offices play an important social and economic role in communities but said that with new technology, changing lifestyles and a wider choice of ways of accessing services, people were visiting post offices less. The network's losses rose from about £2m a week in 2005 to almost £4m a week in 2006 and were likely to increase further unless action was taken. It decided therefore to support strategic changes to the network, with up to 2,500 compensated, compulsory closures out of the total of 14,300 branches (equivalent to 17% of the network, or more than one in every six). Post Office Ltd was tasked with implementing this over an 18 month period from summer 2007.
4. Subject to EC state aid clearance, post offices which remain will be eligible for Government funding support until 2011. The Government will bring forward proposals for devolving greater responsibility after 2011 for decisions on post office provision to a local level. Some authorities have expressed an interest in taking local responsibility much sooner than that, in order to reduce the scale of the current closure proposals; this is discussed in Potential for Devolved Local Responsibility below.
5. To maintain a national network and protect vulnerable consumers the Government set POL the following minimum access criteria:

- (a) Nationally:
- (i) 99% of the UK population to be within 3 miles, and 90% of the population to be within one mile, of their nearest post office.
 - (ii) 99% of the total population in deprived urban areas* across the UK to be within one mile of their nearest post office (*defined for England as the most deprived 15% of 'super output areas' - small areas defined by the Office of National Statistics - using the index of multiple deprivation).
 - (iii) 95% of the total urban population across the UK to be within one mile of their nearest post office.
 - (iv) 95% of the total rural population across the UK to be within 3 miles of their nearest post office.
- (b) And for each postcode district (e.g. DL1):
- (i) 95% of the population to be within 6 miles of their nearest post office.

6. Account must be taken of obstacles (rivers, etc) and the availability of public transport and alternative access to key services, local demographics and the impact on local economies.

The Local Proposals

7. The area proposal affecting Darlington Borough was published by POL on 12 February 2008, with a closing date for responses of 26 March. It covers the former county of Cleveland with South Durham and Richmond: 37 post offices are proposed to be closed out of a total of 233 (16% of the network).

Table 1 - Post Offices in Darlington Borough

Proposed for Closure (5)	To Remain in the Network (16)
<i>Town branches (3):</i>	<i>Town branches (12):</i>
Cleveland Terrace	Albert Road
Hopetown (Brinkburn Rd)	Blackwell
Milbank (Pierremont Crescent)	Branksome
	Cockerton
<i>Village branches (2):</i>	Darlington (Crown Street)
Croft (Hurworth Place)	Geneva Road
Heighington (village hall)	Harrowgate Hill
	Haughton-le-Skerne
	Mowden Park
	Skerne Park
	Springfield
	Yarm Road
	<i>Village branches (4):</i>
	Hurworth
	Middleton St George
	Piercebridge
	Sadberge

8. Within Darlington Borough five post offices are proposed for closure and 16 others are listed as 'to remain in the network' (see Table 1 and Map in Appendix 1). This is a closure rate of 24%, or almost one in every four - a significantly higher proportion than in the area as a whole and than the national average closure rate.

Postwatch Initial Comments

9. POL's proposals have been considered by Postwatch, the independent watchdog set up by the government to safeguard the interests of customers. They were successful in obtaining some changes to earlier draft proposals (on which they alone were consulted) and they consider the published proposals meet the minimum distance criteria set by Government. Nonetheless, they still have specific concerns, including the following relevant, or potentially relevant, to Darlington:
 - (a) the possible loss of last remaining shops in some villages as a result of closure of their post office;
 - (b) they do not believe POL has fully addressed the possible impact on local economies surrounding some of these proposed closures, in particular those post offices serving people living in or close to urban deprived areas; Hopetown post office is cited as an example;
 - (c) they also have concerns about access, DDA (Disability Discrimination Act) compliance, capacity and retail standards at some branches to which customers will be expected to migrate.
10. Postwatch say their final position will be informed by responses to the current consultation.

Additional Voluntary Closures

11. On closer examination, POL's list of post offices 'to remain' is aspirational rather than a reflection of the current situation, as it includes three branches whose future is, at best, uncertain. Those at Springfield and Piercebridge are both closed at the present time and have been since last autumn (the retail business at each remains open but not the post office counter). And Sadberge post office is closing on 10 April due to the resignation of the postmaster and closure of the associated shop.
12. Unlike the present programme these closures are voluntary by the shop proprietors concerned and POL is trying to make alternative provision. However, the delay in replacing the facilities at Springfield and Piercebridge and a lack of alternative options in Sadberge suggests that they may not all be successfully replaced. Clearly the Council gives the strongest encouragement to POL to restore these branches at the earliest opportunity but the likelihood is that by mid-April the Borough will have only 18 operational post offices, of which five are proposed for closure. The proposals would therefore constitute a closure rate of 28% - very much higher than both nationally and in the wider area. (Note: if one of the closed branches reopened the closure rate would be 26%; if two, it would be 25%.)

13. Even if the three are replaced, the new premises might be some distance from the present locations which could affect the assessment against the government's access criteria. Officers have therefore put the following questions to POL:

“Do you realistically expect these branches to reopen, and if so in what locations? Our concern is that unless there are firm proposals for them to reopen by summer 2008 then they could significantly distort your assessment for Darlington Borough. Even if they are replaced, if that is in different premises then the access and other criteria might still be differ significantly from the present situation, which also have implications for branches proposed for closure.

Furthermore, if you are aware of uncertainty - unrelated to the area proposal - over the future of any other branches within Darlington Borough then please supply as much information as you can in order that this Council's response to consultation will be as well-informed as possible.”

14. There has been no response from POL to date; any that is received will be reported orally to Council.

Assessment of the Proposed Compulsory Closures

15. POL's proposals are accompanied by detailed data on the branches to be closed, together with matching data on the nearest alternative branches. They include opening hours, average number of customers, facilities, a potted profile of the population living within one mile (total, age and car ownership only), ease of accessibility to the premises (e.g. steps), and a range of access criteria such as distance to next branch, parking provision, bus services, terrain between branches. The information appears to be up-to-date and accurate so far as it goes but the demographic data provided is very limited and in officers' opinion inadequately addresses the key issues of deprivation, vulnerability and local economies identified by the Government.
16. Press reports have included comments by some affected postmasters, locally and elsewhere, protesting that their post businesses are economically viable, not loss-making. It is clear, therefore that, in line with the Government's access criteria, branches have been chosen for closure principally on grounds of location, taking into account the presence of alternative branches. Within Darlington urban area the town centre post office in Crown Street - the only Crown post office in the Borough, i.e. the only one directly operated directly by POL - is obviously (and rightly) considered sacrosanct by POL, offering as it does the greatest range of facilities in the most accessible location. The most vulnerable sub-post offices in the town seem to be those within a mile radius of it, especially if there is also at least one suburban post office within a mile of the affected office.
17. Thus, three of the four sub-post offices nearest to Crown Street have been proposed for closure: Cleveland Terrace (0.6 mile), Hopetown (0.8 mile) and Milbank (one mile). The surviving exception is Albert Road (actually sited on North Road; 0.7 mile).
18. It can be seen that the distance of one mile used by POL in drawing up its closure proposals for urban areas stems from the Government's minimum access criteria. This is actually a distance in excess of that normally used in planning policy for defining an accessible local service (a distance of 0.5 mile or 800m is more normal) and would take able adults up to 20 minutes to walk in each direction on level terrain, i.e. a round trip of around 40 minutes. Less able pedestrians could obviously take a lot longer. It is clear from this that in initiating the change in the network the Government has determined that in the changed

circumstances of today post offices should play a more strategic, higher-level role than in the past when they were regarded as everyday local - almost street-corner - facilities. This makes it much harder for customers and concerned authorities to reverse closure proposals which meet the minimum access criteria, which Postwatch say the present proposals do. The best chance of a success is to address specific local factors.

19. **Cleveland Terrace** is said by POL to have an average of 500-749 customers per week. Given its proximity to Crown Street (0.6 mile or about 12 minutes walking time one-way) this seems to officers to be quite a high level of patronage. Crown Street (which has 6,500-6,999 cpw) is named by POL as being the first alternative post office for displaced customers, with Blackwell (0.97 mile away; 500-749 cpw) a fairly remote second alternative. Part of the popularity of Cleveland Terrace may, in fact stem, from its fairly central location with some customers choosing to use it instead of the notoriously congested main office in Crown Street (see below).
20. **Hopetown** is the busiest post office proposed for closure in the Borough with what would appear to be a healthy patronage of 1,000-1,499 cpw. The named alternatives are Albert Road (also 1,000-1,499 cpw; 0.53 mile or 11 minutes walk away) and Cockerton (more remote 0.83 mile; 2,000-2,499 cpw). Although not a great distance removed, POL's description of the terrain between the Hopetown and Albert Road branches as being 'predominantly level' with 'some small inclines' understates the nature of the walking route which involves negotiating the narrow 'Cut' beneath the Bishop Auckland railway line and crossing busy roads.
21. Undoubtedly, one of the main reasons for the popularity of Hopetown despite its relative closeness to Albert Road is the circumstances of the local population. As Postwatch have pointed out, the branch serves some of the most vulnerable populations in the town, with extensive parts of the adjacent Northgate, North Road and Central wards falling within the Government's threshold of the most deprived 15% of areas in England and the nearest parts of Pierremont probably being not far behind. As mentioned, POL's demographic data singularly fails to highlight indicators of deprivation despite their brief from Government. The use by Government and POL of a one mile radius also masks the full extent of nearby deprivation in that such a wide extent (with a population of over 29,000 in the case of Hopetown) takes in more affluent residential areas as well as derived ones. Even so, the Hopetown area can be shown to have, for example, a high proportion of lone parents (19.4% against a Darlington average of 17.3% and a UK figure of 16.4%) and a greater number without a bank or building society account (4.1% against 3.6% and 2.5%) (Source, 2001 Census and Experian).
22. **Milbank** post office has similar usage to Cleveland Terrace (500-749 cpw). The named alternatives are Cockerton (0.6 mile, about 12 minutes walk; 2,000-2,499 cpw) and Crown Street (one mile). The postmaster is one of those to state publicly that his post office business is viable. Despite the greater distance from the town centre it is likely that this office also draws some of its trade from customers avoiding the congestion of Crown Street. It benefits in particular from the availability of unrestricted on-street parking.

23. The Government considers a threshold of three miles to be more appropriate for rural populations and both Croft and Heighington post offices have two alternative, and apparently more viable, branches within that distance. Bus and car travel are likely to be more relevant means of transport to reach the alternatives than walking.
24. **Croft** post office has an average of 300-399 customers per week and doubles as a small shop, the only one in Hurworth Place and nearby Croft village. The named alternatives are Hurworth (0.9 mile; 750-999 cpw) and Blackwell (2.44 mile; 500-749 cpw). The terrain between the Croft and Hurworth branches is describes as 'varied' with 'slight gradients' but few people are likely to walk between the two. A regular bus service runs connects them and car ownership is high (86% of households). Demographically however, a high proportion of people in the one mile catchment are vulnerable or potentially vulnerable on grounds of age: 25% are retired.
25. **Heighington** post office relocated to the village hall in 2004 when the original premises closed (voluntarily). It operates on weekday mornings and has the lowest patronage of the five Borough branches proposed for closure, with 100-199 customers per week. The named alternatives (both outside the Borough) are at Shildon (2.55 mile) and Aycliffe village (2.6 mile). There are hourly bus services to each and car ownership in the area is again high (87% of households).
26. Although POL names the two nearest post offices to each of the five proposed closures the displaced trade will not necessarily migrate to these simply because they are the nearest. Much will go instead to offices which are convenient in other ways, especially those in town centres which can be visited when carrying out other tasks. In the Borough's case a sizeable amount will be diverted to the main post office in Crown Street, as has evidently happened in recent years when other branches have closed.
27. The Council does not have access to figures but regular users of Crown Street will have seen how the premises have become increasingly congested as branch offices have closed. Long queues for the main counter of 30 or more people are evident on a daily basis and at busiest times the line has been known to reach the front door, with probably 50 or 60 people waiting. Despite the best efforts of the over-stretched staff delays in service of tens of minutes are now routine, particularly as transactions are often complex (simple postage stamp purchases are made at a separate counter and at machines). The frustrations for customers and pressure on staff would be unacceptable today in any other town centre service business.
28. The further closures (including three of the four branches nearest to Crown Street) would put significant further demand on the main post office. Officers have tried to estimate the likely increase in customer numbers at Crown Street as follows. If two-thirds of the customers displaced from Cleveland Terrace and half of those from the other four branches were to migrate to Crown Street then that would generate an additional 1300 to 1900 customers per week there, equating to increases of between 20% and 27%. The resulting further congestion and diminished standard of service would, and should, surely be unacceptable to residents of the Borough and Post Office Ltd.

Summary

29. The above analysis leads officers to believe that there strong grounds for objecting to the proposed closure proposals in Darlington Borough, as follows:
- (a) The Borough is being subjected to a disproportionately higher rate of branch closures (24%) than both the area as a whole (16%) and the national average (17%). This is manifestly unfair to Darlington residents.
 - (b) Moreover, the published proposals present a potentially false picture of the number and spread of branches to remain in the network, as three of those post offices will not be operational from 10 April and there is no certainty that all, or even any, can be restored.
 - (c) If they do not reopen, the five planned compulsory closures will constitute an even greater rate of branch closures - 28% - adding further to the inequity.
 - (d) The demographic data used by POL inadequately addresses the key issues of deprivation, vulnerability and local economies specified by the Government. In particular it gives insufficient weight to the role of Hopetown post office in serving residents in the deprived urban area identified by the index of multiple deprivation. Officers consider that this role, allied to the relatively high patronage of the branch, justifies the retention of Hopetown branch.
 - (e) POL's proposals also appear to pay no heed to the current and future levels of congestion at the post office to which much of the displaced trade will migrate, that is, Crown Street in Darlington town centre. Customers there already suffer delay, discomfort and frustration to a degree that would be unacceptable to any other kind of modern service business, and Council projections suggest that the situation would become considerably worse under the proposals, most especially with the closure of three of the four closest alternative branches.
 - (f) Officers believe that these severe congestion problems justify the retention of the branches at Cleveland Terrace and Milbank, particularly as the postmasters believe the branches are economically viable.
 - (g) The closure of Croft post office would seriously undermine the viability of the last shop in Hurworth Place and Croft village and the alternative branches are a considerable distance away, beyond reasonable walking distance of the relatively elderly population. Closure should be rejected on these grounds.
 - (h) The sizeable village of Heighington has already lost its post office once and the proposed closure now, after just four years, of the part-time replacement in the village hall would send out the wrong signals to rural communities which have worked with POL to retain and promote their local facilities. The alternative branches are each a considerable distance away and journeys other than by car would be extremely time-consuming for the most vulnerable residents. For these reasons this closure should also be rejected.

Potential for Devolved Local Responsibility

30. It has emerged late in the present round of consultations that Essex County Council is negotiating with POL to take on 15 of the 31 branch post offices proposed for closure in its area, with the intention of combining the postal services with locally-based Council services. This is an option which was not previously put to local authorities but the responsible Government minister has since said that Councils wanting to take over loss-making post offices should be encouraged to do so. He has made clear, however, that they

will not be able to draw upon the funding support being set aside for post offices under the network change programme. The feasibility of the Essex proposal and its applicability elsewhere in the country is still far from clear, therefore, and it would be wrong at this stage to give false hope to affected communities in Darlington Borough. A thorough examination of the options is not possible before POL's deadline for responses of 26 March but, in expectation that Members will wish to see it investigated, a 'holding' expression of interest has been sent to POL to that effect.

Outcome of Consultation

31. Members of the public were invited to send comments on the proposed closures to the Council for forwarding to POL. These and other comments of which the Council is aware were taken into account in the preparation of this report. Responses received by the time of writing are summarised at Appendix 2; a supplementary summary of later responses will be available to Members at the Council meeting.

Legal Implications

32. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

33. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

34. The issues contained within this report are required to be considered by Council.

Recommendation

35. Council are requested to :-
 - (a) Endorse the response to consultation sent by officers to Post Office Ltd in respect of the proposed compulsory closure of five post office branches within the Borough;
 - (b) Note the consultation responses of members of the public which the Council has collected and forwarded to Post Office Ltd together with a petition campaigning against the closures;
 - (c) Note the action of officers to inform Postwatch of the Council and public responses and request that it pursues the Darlington objections within its own remit with full vigour;

- (d) Instruct officers to pursue all other available options to lobby against the proposed closures.

Reasons

36. The recommendations are supported to ensure that reasoned responses from the Council and others objecting to the proposed closures were made to Post Office Ltd before the deadline for consultation of 26 March 2008.

Ada Burns, Chief Executive
Richard Alty , Assistant Chief Executive (Regeneration)

Background Papers

1. The Post Office Network: Government Response to Public Consultation, DTI, May 2007
2. Post Office Network Change Programme: Area Proposal For Cleveland With South Durham And Richmond, Post Office Ltd, 12 February 2008.
3. Post Office Closure Programme, Letter from Postwatch, 13 February 2008.
4. Index of Multiple Deprivation 2007 - LSOAS Within Most Deprived 15%, Tees Valley JSU for Darlington Borough Council, March 2008.
5. Post Office Study, Experian Ltd for Darlington Borough Council, March 2008.

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