

SWT Scrutiny Committee - 28 April 2021

Present: Councillor Gwil Wren (Chair)

Councillors Libby Lisgo, Ian Aldridge, Sue Buller, Norman Cavill, Simon Coles, Dixie Darch, Habib Farbahi, Ed Firmin, Dave Mansell, Derek Perry, Ray Tully and Nick Thwaites

Officers: Andrew Randell, Marcus Prouse, James Barrahan and Richard Hall ((Post Office External Affairs Manager - South England and Wales))

Also Present: Councillors Chris Booth, Andrew Govier, John Hassall, Richard Lees, Sue Lees, Janet Lloyd, Vivienne Stock-Williams, Sarah Wakefield, Alan Wedderkopp, Brenda Weston and Loretta Whetlor

(The meeting commenced at 6.15 pm)

1. Apologies

An apology was received from Councillor Wheatley.

Councillor Sully attended as a substitute.

2. Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr N Cavill	All Items	West Monkton	Personal	Spoke and Voted
Cllr S Coles	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr L Lisgo	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr D Mansell	All Items	Wiveliscombe	Personal	Spoke and Voted
Cllr D Perry	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr N Thwaites	All Items	Dulverton	Personal	Spoke and Voted
Cllr R Tully	All Items	West Monkton	Personal	Spoke and Voted

3. Public Participation

No members of the public had requested to speak on any item on the agenda.

4. **Scrutiny Committee Forward Plan**

(Copy of the Scrutiny Committee Forward Plan, circulated with the agenda).

Councillors were reminded that if they had an item they wanted to add to the agenda, that they should send their requests to the Governance Team.

Resolved that the Scrutiny Committee Forward Plan be noted.

5. **Update of Post Office Ltd Provision in the district (verbal) (Richard Hall - External Affairs Manager South England and Wales / Jason Collins Network Team)**

The Chair introduced Richard Hall to the committee and set out the background for the item being considered by the Scrutiny Committee. There had been questions around Post Office closures since the last election. With more information requested on closures of branches and the process and community consultation around decisions of closures of relocations.

Richard Hall provided an update to the committee setting out the progress made by the Post Office in continuing to provide its services through the pandemic whilst taking on additional responsibilities to support communities.

100 Area Managers across the Country had been recruited in the last 18 months to provide support for Post Masters where needed.

During the debate the following comments and questions were raised:-

- Proposals around closures and changes to the network were considered and detailed consultations were undertaken around this. The consultation period for closures was set at six weeks.
- Ward Councillors were informed of consultation periods in relation to closures.
- The most common reasons for Post Office closures were through retirement or resignations of postmasters or the renewal of premises and lease of a premises in which to operate. It was rare that closures were for any other reason.
- In these instances of closures, branches would look to be replaced with a new leasehold franchise where there were new parties willing to take this on. The post office were looking to expand franchises where possible.
- The details and situation around Mountfields Post Office closure would be checked and a response provided following the meeting. Concerns were expressed over the lack of engagement of the post master and councillors with the consultation signage arriving on the day of the consultation with no prior contact with the Post Master.
- Proposals for closure where compensation packages are involved were considered. Engagement or encouragement from post masters in relation to the consultation resulting in loss of compensation packages was questioned. The committee were reassured that there had been no gagging as part of closure programmes.
- The current offering from the post office was based on commercial retail with a post office offering, previously this was a post office offering mixed with some retail, with the model changing in the last decade.

- The aim by 2025 was to increase branches to 12,000. There was 11,500 estimated branches at present.
- It was recognised that recruitment for post masters needed to be easier and simpler for those looking to apply.
- The failings of the past were recognised in the recent Post Master Court Case and work was ongoing to ensure adequate and fair compensation for those involved.
- It was questioned if there were retail targets, there were initiatives of certain products at bigger branches but individual targets were not in place for smaller branches.
- Rural access for post office services was ensured locally but in some instances these were offered on a more limited timeframe with mobile services from other localities in place.
- The central post office in Taunton was under threat two years previously, with the location it has been in since to be moved and the service looking for a new site.
- The franchise business model was considered, to be able to deliver services it was questioned if the Post Office stepped out of the franchise model working directly with communities to build the community asset or social enterprise for the post office?
- There were recognised examples of where post offices had been developed in partnership with other organisations such as local government with the similar need to service the public and enable a facility for the public to access a face to face service.
- Local Authorities had taken on the operation of branches previously but this was rare. There were 3 social enterprises in Worcestershire run by the community. Details of these examples would be provided following the meeting.
- Work towards protecting access to cash and banks was underway with appointments being accessed via the post office, these services and arrangements were still in their infancy.
- Increasing provision through franchising was discussed, concerns were expressed in expecting post office branch businesses providing services effectively when they couldn't be profitable before franchising. Details around the government subsidies were requested.
- Subsidies from Government required the Post Office to be in a position to generate a surplus without a subsidy by 2025 and sharing profits with post masters.
- It was requested when the agreement with the Royal Mail has run out. A new ten year agreement had been signed in December 2020 with Royal Mail. This increased post master remuneration by increasing their fees in line with prices
- Mitigating any decreases in revenue was being assessed as a result in some of the branches.
- Collection of items were being trialled for post masters returning items via online distributors. This was providing value for taxpayer's money and developing services to achieve this.
- A subsidy of £200 million had been agreed for the next 12 months. A subsidy request for the next 12 month post 2022 was being considered. This propped up services that were not profitable but were important to communities. A new cloud based system integrated to save time for post masters was being introduced.
- Partnering with operators such as Amazon was not permitted due to the contract since 2012. The new contract allowed partnerships such as this going forward however the new agreement was in its infancy.
- Government Access criteria set out branches should be within an average 5 miles access for the community. Across UK the access criteria had been met.

- If less services were offered then more subsidy would be required to run the post offices.
- Maintaining services following post office cuts was a recognised issue, temporary post masters were in place with a good example of this being Taunton.
- Arrangements could go on for a number of years. A significant customer base would be disadvantaged with the loss of a central branch such as this. Attracting a temporary operator on an interim basis would be arranged.
- The social importance of the service was recognised along with the government achieving value for money for the taxpayer.
- Provision of services at Oake and Bishops Lydeard were questioned.
- Future Post Office provision in Wellington was questioned with it being an expanding town. An invite to speak at a future Wellington Town Council meeting was extended with the hope that this could be undertaken in person following further easing of restrictions.
- It was requested what the income from banking was for the Post Office service. These were currently in commercial confidence, however there was a third agreement being negotiated to extend the service provided for the banks and the way transactions took place.
- New branches were accessible for those with mobility issues, there was minimum guidance in addition to Post Office guidelines.
- Concerns were expressed in relation to the main Post Office provision in Taunton town centre. The temperature was a concern in addition to access for the elderly, being located at the back of a currently vacant shop.
- The current location was being temporarily managed. Discussions with prospective partners had not yet led to a solution. It was recognised that the vacation of the existing premises would need to happen.
- Space in a public or Council building was something that was looking to be explored if potential locations were available. A minimum of 9 square meters were required and information around footfall was needed to find a solution. Discussions would be held following the meeting to consider options.
- Greater promotion of the services of the post office to make the public aware of the wide variety of services available was encouraged.
- The committee thanked Richard Hall for his attendance and welcomed future engagement on matters considered at the meeting.

The Scrutiny Committee requested for the relevant portfolio holders commence a line of Communication following this meeting with the Post Office Ltd to come to a mutually agreeable solution to the relocation of the Main Post Office in Taunton.

(The Meeting ended at 8.22 pm)