

CABINET

3 February 2010

RESPONSE TO POSTAL SERVICES INFORMAL SCRUTINY GROUP
RECOMMENDATIONS

REPORT OF HEAD OF PARTNERSHIPS, COMMUNICATIONS AND
IMPROVEMENT

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RECENT REFERENCES:

PS 392: Postal Services Informal Scrutiny Group – Final Report, 16 November 2009

EXECUTIVE SUMMARY:

This report sets out options for Cabinet to consider with regard to the implementation of the Postal Services Informal Scrutiny Group's recommendations.

Financial support for village shops which also act as sub-post offices is already available from the City Council. The Council also already accepts payment for rent and council tax through the post office, although the Council incurs a significantly larger cost when residents use this method compared to other methods. The report sets out a number of options which can be explored to extend the Local Offices model to rural sub-post offices to increase their footfall and business.

RECOMMENDATIONS:

That Cabinet:

- 1 Endorse the approach set out to the Postal Services ISG recommendations.
- 2 Consider whether Council payments via post offices should be more widely advertised and encouraged.
- 3 Consider the options set out in 4.8 to investigate the possible extension of the Local Offices scheme to rural sub-post offices.

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1 Introduction

1.1 In 2009, Principal Scrutiny Committee commissioned an informal scrutiny group (ISG) to look at postal services, with the following terms of reference:

- (i) To review the outcome and objectives of the PO Network Change decisions;
- (ii) To consider the impact of closure on communities and business;
- (iii) To consider how proposed 'outreach' replacement PO services have worked for local communities;
- (iv) To examine the degree that local councils could influence such change programmes;
- (v) To consider the Council's ability to support small businesses affected by the Post Office network change programme;
- (vi) To consider the impact of current and proposed postal collection and delivery times on households and businesses;
- (vii) To consider changes to the Crown Post Office in Winchester (and if possible, elsewhere in the district) and whether there had been any degradation of service to the public from lengthy queuing or from a reduction to the range of services offered.

1.2 The Postal Services ISG collected evidence from a number of different sources and witnesses and concluded with the following recommendations to the City Council:

The City Council should:

ISG Rec1 Work with the County and District Councils, through the Hampshire Economic Development Partnership, to co-ordinate support for rural retail businesses operating across local authority boundaries, and identify those businesses (particularly those providing postal

services) that may be at risk if further reductions in the Post Office Network are forthcoming in 2012 and beyond.

ISG Rec 2 Support initiatives instigated by the Local Government Association (as detailed in Appendix 3) that seek to support the Post Office network as a more viable business, independent from Government subsidy.

ISG Rec 3 investigate the possibility of extending the range of payments due to the Council that customers can make through the Post Office and using their outlets as an information point for Council services.

- 1.3 This report presents options for Cabinet as to how the Council can take forward and implement these recommendations. This is the first time a separate report has been sent to Cabinet in response to an ISG, setting out how the recommendations will be dealt with. This is designed to provide an improved focus on what has been recommended by Principal Scrutiny Committee to Cabinet, and to strengthen Cabinet's link with the overview and scrutiny process.

2 ISG Recommendation 1

- 2.1 It is suggested that the most appropriate Forum to take this work forward would be the Hampshire Economic Development Officers' Group (HEDO), and this group will be discussing opportunities to work across boundaries at their spring meeting.
- 2.2 East Hampshire District Council has also dealt with substantial post office closure and is keen to work through the HEDO with the City Council and other districts to mitigate against future closures. Test Valley Borough Council and Hampshire County Council are also keen to explore ways in which to work together on this issue.

3 ISG Recommendation 2

- 3.1 The recommendations by the LGA for devolved (e.g. devolved administrations in Wales, Scotland, N Ireland etc and the LGA in England) and local government are as follows:
- Local authorities must ensure the provision of council services through post offices;
 - Central co-ordination of this service is required;
 - Local authority ownership is not a viable model for post offices;
 - Devolved government must show leadership by providing rate relief and grant funding for post offices, and by enabling councils to play their full role.

- 3.2 Post Offices are a target group for SEEDA through the Leader funding programme. The Winchester and East Hampshire Leader Programme's business plan already highlights work to ensure hard to reach group and vulnerable basic services are support by Leader funding. Post Offices in the rural areas of the Winchester district would qualify for this grant.
- 3.3 The City Council has already allocated £80,000 from LABGI funds for village shop grants (see CAB1815 and CAB1911), which would be available to post offices where they are attached to a village shop to increase footfall. The village / community shop grant scheme is a one-off payment of up to £20,000 to village or community shops in Winchester district. This funding is available until March 2011.
- 3.4 If a post office (or general store) is the only one in an area, and they fall into qualifying settlement areas, they can receive 50% Mandatory relief from their NNDR. The majority of these are also given 50% top-up relief so in real terms they will not pay any NNDR.
- 3.5 Through LABGI funding and the Council's package of 'recession busting' measures, post offices can also apply for hardship business rates relief, alongside other normal rate relief schemes (more information is available at <http://www.winchester.gov.uk/Business/BusinessRates/Reductions%28relief%29/>). This funding is available until March 2011.
- 4 ISG Recommendation 3
- 4.1 The City Council currently can accept payments through the Post office for rent and council tax via a payment card which a resident will need to apply for.
- 4.2 The payment of both council tax and rent via the post office comes with a significant cost to the Council compared with other methods of payment. See below for the cost comparisons for council tax.

	Direct Debit (approx)	Debit card (average)	Allpay Payment Card (for use at the Post Office)
A single payment transaction for council tax	3p	21p	54p (plus additional costs for stationery, postage and replacement cards)

- 4.3 The costs set out in 4.2 are just the banking costs of each of these methods, and do not factor in the cost of the cash office. However, all payments go through the cash receipting and so each type of payment would incur an overhead.

- 4.4 Due to the significant cost, this method is not widely advertised. However, payment via the post office can be a life line to more elderly or vulnerable residents in the wider District, and is offered if a resident enquires about a payment card. This method of payment could be more widely promoted to increase business at rural Post Offices; however this will potentially lead to increased costs for the City Council.
- 4.5 About 22% of Council tenants regularly pay their rent via the Post Office, and the cost of this to the Housing Revenue Account is around £20,000 per annum or 54p per transaction. This method of payment is offered as one of a range of methods in the Tenants Handbook.
- 4.6 The City Council currently does not accept the payment of parking penalty charges via the Post Office. This option has been investigated by the Parking, Concessionary Travel & CCTV Manager with the conclusion that this would not be viable for the District due to the significant amount of complications and expense in implementing the system, for the following reasons:

Within the Traffic Management Act statutory guidance it states that “Local Transport Authorities should ensure that any payment facility (particularly telephone and online payments) are able to confirm to the payer any amount outstanding if part payment only has been received and accepted.”

If payments were made through the Post Office the Council would not be able to comply with this and may also have difficulties with the following:

- The Post Office would not know if the correct amount was being paid, for example if the discounted amount was being paid, but the penalty charge notice (PCN) was past that period. PCNs must include a statutory discount period where suitable payments made will be accepted in full as the final settlement.
 - The Post Office would not know that payment should be refused as the PCN has now been passed to Bailiff and is no longer in a status to be paid. This could lead to problems with their recovery of their costs as they are not permitted to pursue these alone.
 - The recipient of the PCN may submit a previously successfully paid barcode to the Post Office with a payment for a completely different later PCN. The Post Office will not know that this payment should be refused.
- 4.7 The consultation draft of the City Council’s Economic Strategy agreed at Cabinet on the 13 January set out the following key factor for success in the market towns and rural areas of the District:

Shared premises: share and extend existing good practice in shared space – such as the City Council’s local access points - for local small businesses and services, e.g. library, post office and village shop services all in one location. There are several options which could extend how Council services and

information is accessed via Post offices which could be pursued as part of the Local Office scheme in the rural areas of the District. All would have resource implications. These options would need discussion with rural sub-postmasters and the project would need to be considered having regard to other priorities that will be identified through the Business Planning process for 2010/11.

- Extend the full Local Office offer to some Post Offices (with City Council staff on site). This option will have significant resource implications.
- Provide a PC to enable public internet access, to online services and information. When Cabinet first approved the current Local Office service ([CAB1601](#)) this was described as a 'core offer' and it was suggested that in the future this might be extended to more locations. Post offices could be a suitable site for this to happen, possibly with the staff at the post office trained to assist in its use. A particular benefit for the Council of publicly accessible internet would be increasing access to the Hampshire Home Choice (CBL) system
- Provide a PC to enable public internet access to provide the service described in the second bullet point, but with a web-cam to allow 'virtual surgeries' to be held.
- Engage Hampshire County Council in discussion around options for extending their [Customer Access Point \(CAP\) network](#) into Post Offices. Currently, there are only CAPs outside Winchester town in Alresford, Colden Common and Swanmore

4.9 These options can build on the strengths of our partners, including the following:

- The Post Office is a broadband provider
- Post Office staff can be given access to a FAQ database to allow the signposting of services
- County Council information centre staff could provide opening support to the community
- The City Council has experience and insight of customer requirements from other Local Offices already open
- There will be added value for the Winchester District Strategic Partnership through the promotion of their services

OTHER CONSIDERATIONS:

5 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

2.1 One of the five outcomes in the Community Strategy is 'Inclusive Society' and these actions accord with the priority to improve access to services.

6 RESOURCE IMPLICATIONS:

- 6.1 The options set out in this report will have resource implications for the Council. These will need further investigation once Cabinet has agreed whether it wishes to pursue any of the proposed options.

7 RISK MANAGEMENT ISSUES

- 7.1 None

BACKGROUND DOCUMENTS:

None.

APPENDICES:

None.