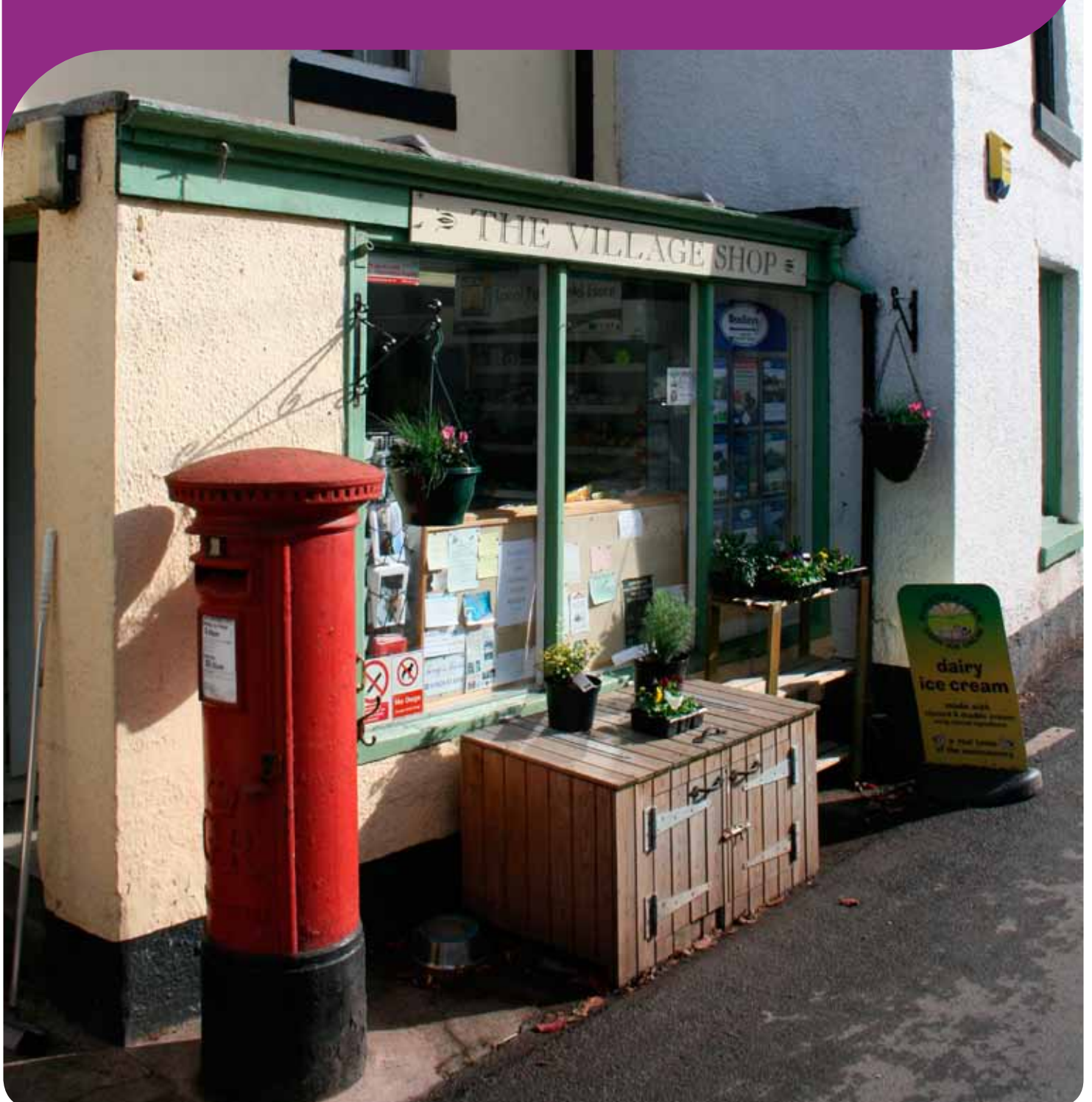




Devon knows

Long-term impacts and lessons from the
Post Office Closure Programme
Claire McAnulty and Richard Brown



About Consumer Focus

Consumer Focus is the statutory consumer champion for England, Wales, Scotland and (for postal consumers) Northern Ireland.

We operate across the whole of the economy, persuading businesses, public services and policy-makers to put consumers at the heart of what they do.

Consumer Focus tackles the issues that matter to consumers, and aims to give people a stronger voice. We don't just draw attention to problems – we work with consumers and with a range of organisations to champion creative solutions that make a difference to consumers' lives.

For regular updates from Consumer Focus, sign up to our monthly e-newsletter by emailing enews@consumerfocus.org.uk or follow us on Twitter <http://twitter.com/consumerfocus>

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Executive summary

In 2007 a structured and planned programme of post office closures began across the UK, known as the Network Change or Post Office Closure Programme.

The Closure Programme was necessary to help get the Post Office network on a more stable footing as it was making heavy losses. However, many consumers were concerned about losing their local post office, which provided access to essential social and economic services, as well as providing a focal point and social hub in the community.

Many people also feared that the closure of their local post office would badly affect older and more vulnerable members of the community. Communities expressed particular concerns in more rural and remote areas, and where public transport was poor. Consumers and small businesses also feared that wider and more significant effects would be felt on the local economy as a result of closures.

For some consumers and communities, their fears and concerns, particularly in relation to access to services, have been realised. Others, however, have been able to cope and adapt.

In some instances, the strategic and area-based approach taken by Post Office Limited (POL) has helped to off-set the impacts of the Closure Programme. This approach provided a way for local authorities and community groups to respond constructively. This included stepping in to operate services, and providing direct financial support to protect remaining branches.

By the time the Closure Programme was complete at the end of 2009, nearly 2,500 post offices had closed across the UK, 500 of which were replaced with an Outreach service¹.

To explore the long-term effects of the Closure Programme on communities, Consumer Focus undertook a study in Devon², looking at the effects on individuals and communities where they have lost their post office, or it has been replaced with an Outreach service.

Devon was selected as it has areas that are deeply rural with sparse populations. These are precisely the type of locations where the effects of the reduction of post office provision, and the knock-on effects of access to other services, would be most felt.

In Devon, a number of post offices closed and in some cases Outreach services were introduced in their place. Devon County Council also implemented its own local support scheme to help sustain certain communities following the changes. It was important to find out whether this scheme has worked, and what lessons can be learned for the introduction of similar schemes in the future.

¹ Outreach services are an alternative model of delivering post office services and were introduced to help mitigate the impact of post office closures, predominantly in rural areas (see Annex 2)

² The use of the name Devon is that part of the historic county which excludes the two unitary authorities: Plymouth and Torbay, which are independent of Devon County Council

Access to services in Devon

In many cases, consumers who lost their post office have coped and adapted to the closures, and now drive, or use public transport, to travel to a nearby post office. However, where consumers do not have access to public transport, or where public transport is limited, the story is often very different. Many consumers are now forced to plan well ahead to visit a post office; undertake lengthy journeys at significant personal expense; or even rely on their neighbours to take them.

SMEs

Small and medium sized enterprises (SMEs) and micro-businesses typically use the post office frequently to post parcels, withdraw cash, and deposit takings. The post office closures mean that SMEs must now spend time travelling to other post offices. The costs (including time and fuel) for many small businesses appear to be significant; an extra burden at precisely the time when many SMEs may be struggling.

Where communities have been provided with an Outreach service to help mitigate the loss of their post office, residents are generally pleased. However, technical disruptions³ and reduced product availability mean Outreaches are often perceived to be a downgrade in service and many struggle to meet small businesses needs.

³ '...we received some reports of some significant equipment failure. Several consumers and sub-postmasters said there were frequent problems with system connectivity, meaning the service was unable to offer some products for periods of time. Full system reboots are necessary where failures occur. This is significant because it means that at best consumers might face a long wait to access PO services; at worst, the outreach service might be unavailable that day.' Within reach? Consumer Focus June 2009



Retail

Approximately 57 per cent of rural subpostmasters provide the only shop in their village⁴. In Devon, in virtually every instance where the in-shop post office was closed, it has had a significant effect on the viability of the shop. In a majority of cases the village shop has subsequently closed.

Long-term

Since the Closure Programme, we have experienced the worst recession in over 70 years, with living costs rising dramatically. For example, we have seen petrol prices and gas and electricity prices increase significantly. We are now also beginning to see reductions in local services following the cuts to local authority budgets in the Comprehensive Spending Review (CSR). As a result, we are witnessing longer term effects of the Closure Programme on individuals and communities in Devon, and the immediate impacts of closures are now being made worse in a number of ways.

Devon County Council has recently been forced to reduce services on 70 bus routes across the county. For the communities and small businesses that had already lost their post office, these cuts are likely to further affect their access to post offices and other essential services.

⁴ <http://bit.ly/r1jJq4>

Community response

Some communities that have been affected by the Closure Programme have shown great resilience, and have come together to off-set the effects of losing their local post office, and replaced the services that have been lost. Five communities across Devon have introduced a community shop. Others are now planning community forms of provision.

The Closure Programme brought communities together and propelled many to engage in local campaigns to save their post offices. Although, in some cases, the campaigning did not save the post office, these communities still had the momentum to work together to help to lessen the effects of the loss.

Local authority support

The Closure Programme also gave Devon County Council the opportunity and momentum to engage in the consultation process, and to develop and introduce its own support scheme for post office provision. This meant that many communities were able to benefit from full-time Partner Outreaches, operated from village shops, as opposed to the part-time services (Hosted and Mobile Outreaches).

The scheme has largely been a success: of the 16 locations that received direct financial support, the majority were typically the last shops in the village, meaning that retail, as well as post office services, have been preserved. The scheme also boasts long-term objectives, to diversify and secure the long-term financial footing of the businesses. Even during the current challenging period for local authorities, the scheme has inherent transferability, and can clearly deliver wider social and community cohesion objectives.

Future network changes

Our research offers some key lessons for further restructuring of the Post Office network:

- The value of a strategic area-based approach: Our research has clearly highlighted the critical importance of a strategic and area-based approach to network changes. Although closures were inevitably going to be painful for the communities affected, strategic planning enabled changes to be made in a way that could be fully responsive to the needs of local customers. Crucially, strategic planning meant consumers and local stakeholders were able to gain a clear picture of the changes that POL was proposing to make to post office provision across a specific area, and so anticipate the potential impacts. Consumers and local stakeholders were able to try and implement community and locally-based solutions – and POL was able to affect network change in a way which simply wouldn't have been possible without this framework. Without this structured approach to post office changes, we may not have seen the resilience of some communities, or such crucial engagement from Devon County Council.

It is therefore important for POL to look at how this strategic planning can be taken forward when looking at the upcoming major changes to the network, through the introduction of Post Office Locals and Post Office Mains⁵.

⁵ 2,000 Post Office Locals and 4,000 Post Office Mains will be introduced into the post office network from 2012 onwards. Post Office Locals operate from existing retail outlets and are designed to offer a core set of post office products and services over the retail counter, and for longer opening hours. Post Office Mains operate from larger retail premises and have a dedicated post office counter, with a set of post office products and services available from the retail counter out of core hours.

- **The importance of active engagement of local authorities in any planned changes:**

Devon County Council played an active and vital role in the Closure Programme. Without its intervention, and development of a support scheme, many more communities would have lost access to a full-time post office service, and experienced the knock-on effects.

As we move forward with the major changes to the Post Office network, it will be crucial for local authorities to engage in the changes that are taking place, and to consider the range of support measures that are needed to help mitigate the impacts of these changes, and to sustain local communities.

Local authorities are particularly important to ensure that network changes take account of the transport, community, and business development measures, that may be needed to ensure that consumers and communities can adapt to changes.

- **A wide understanding of the impacts that changes can bring:**

Changes to the Post Office network may sometimes be necessary, but it is important that POL takes a wide view of how the changes can affect consumers, communities, and economies, and be flexible when it comes to looking at alternative service provision. In Devon, POL displayed welcome flexibility on developing its Outreach proposals, following close engagement with Devon County Council. However, this is often not the case, and POL too often deploys a 'one size fits all' approach to network changes. In many instances in Devon, Outreach services have only gone some way in lessening the impacts of the closures.

This has largely been as a result of POL's reluctance to build the opening hours, product range, and operating model, so that the services reflect the needs of the specific communities they serve. It is important that the needs of different communities are taken into account when planning network changes, and that solutions meet the specific and diverse needs of different communities.

If the changes in service provision are done correctly, it will ensure local support for these services and their long-term viability.

- **The importance of local coalitions to raise awareness and explore possible alternatives:**

The coalitions, such as the Devon and Torbay Post Office Task Force, played a critical role in ensuring consumers and small businesses in Devon were aware of proposed changes, and played an important role in amends made to POL's early proposals. These were often led by MPs, local elected representatives, and active community leaders – highlighting the importance of strong and effective stakeholder engagement before, and during, the implementation of changes.

Coalitions were also crucial in exploring and developing all possible mitigation measures – and helping communities understand what can be done and how to do it. If coalitions are to be able to develop and respond to changes in their area, a planned framework for changes is essential. If the closure programme had not been implemented in a strategic way, it is doubtful whether they could have played such a valuable role. The role of national and local expert agencies, including dedicated consumer representation, and specialist agencies, such as the Plunkett Foundation, were also critical to ensure local coalitions could effectively respond to POL's proposals.



HERE TODAY



IMPORTANT INFORMATION
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Northlew Hosted
Post Office[®] service

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Tuesday 12 April 2011 the opening times of this
service will change to the following times:

Tuesday 13:00 - 15:30

Friday 13:00 - 15:30

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11 15 44 or visit our website at www.postoffice.co.uk



TOILETS



Introduction

The Post Office Closure Programme

In May 2007, the Government embarked on the Network Change, or Post Office Closure Programme, which resulted in Post Office Ltd (POL) closing nearly 2,500 post offices, including 500 branches which were replaced with Outreach services. The aim of the programme was to put the Post Office network on a more stable footing, as POL had been making a loss since 2000, and the viability of the network was under threat⁶. The Closure Programme was also introduced to ensure that changes to the network were achieved in a planned way.

Government decided that the Post Office Closure Programme was necessary because:

- Customer numbers at the post office have been falling steadily over the past 10 years from 25 million in 2006 to 20 million visits each week in 2010⁷
- Many Government services traditionally delivered exclusively by the post office are now being offered through alternative channels, including online. For example, car tax can be renewed online, and benefits can be paid directly into bank accounts, as well as at post offices
- The contribution of government services to POL's total revenue decreased from 30 per cent in 2006/07 to 20 per cent in 2009/2010⁸

In order to deliver the Closure Programme, POL divided the UK into 47 areas. For each area, POL developed a local area plan setting out proposed changes to post office provision.

POL consulted on these proposals with the public and other interested parties, including local authorities, to help inform decisions about which branches should close. POL also considered factors relating to geography; the availability of local transport; access to alternative post office services; local demographics; and the potential impact on local economies.

By the end of 2009, the Closure Programme was complete, and a total of 2,432 post offices had been closed overall in the UK, with just over 500 post offices having been replaced by an Outreach service⁹. There are now just over 11,900 post offices operating across the network¹⁰.

The social value of post offices

Although necessary, the Closure Programme was going to prove a difficult time for many consumers and communities. Despite a reduction in customer numbers over the past 10 years, the Post Office network still provides a lifeline service for many individuals, and just under 20 million people use post offices each week¹¹.

⁶ Department for Business, Enterprise and Regulatory Reform (BERR) Oversight of the Post Office Network Change Programme, NAO, June 2009

⁷ Securing the Post Office network in the Digital Age, Department for Business Innovation and Skills (BIS), November 2010

⁸ Postcomm's 10th annual report on the network of post offices in the UK, 2009-10, Postcomm, October 2010

⁹ Securing the Post Office network in the Digital Age, BIS, November 2010

¹⁰ National Audit Office, BERR Oversight of the Post Office network Change Programme, report by the Comptroller and Audit General, HC 558 Session 2008-2009, 5 June 2009

¹¹ Securing the Post Office network in the Digital Age, BIS, November 2010

The post office provides a vital role in delivering essential services to communities, with a national network offering access to services of social and economic interest, including benefits; bill payment; banking services; and universal mail.

In rural areas, post offices also provide a meeting place for members of the community, and are often the centre of community life.

The Government has always recognised that the Post Office network has wider social benefits than simply providing access to postal services. As such, Government subsidy has been provided to the network to deliver services of social and economic interest on a universal basis. In October 2010, the Government announced that it will give £1.34 billion of funding to the post office over the next four years to safeguard its future, which includes ongoing subsidy until 2015¹².

In 2009, Postcomm¹³ commissioned NERA Economic Consulting to evaluate the social value of the network. A qualitative survey was undertaken with households and small and medium enterprises (SMEs) to find out the value that they placed on the network as a whole, and the specific services it provides. The value of the network was determined based on the willingness and the amount that each household or SME would be prepared to pay to retain a post office branch, or access a specific post office service.

The research confirmed that customers place a high value on the existing network of post offices, and the total social value of the network as a whole was calculated at between £2.3 billion and £10.2 billion per year¹⁴.

NERA Economic Consulting also estimated the cost savings to taxpayers as a result of providing services through post offices. For example, they found that taxpayers could save £18 million per year as a result of savings in the subsidies to bus operators to cover the cost of free travel. The provision of services through conveniently located post offices means that fewer bus journeys are undertaken by the over-60s than would otherwise be necessary¹⁵.

During the Closure Programme, POL received approximately 200,000 pieces of correspondence from consumers responding to their proposals. Consumer Focus research in 2010 looking into consumer engagement in the post office closure programme, found that 2.7 million consumers had made their views and concerns known, through a number of different means, such as signing petitions and attending public meetings¹⁶. Consumers raised concerns, in particular, about how their community would cope if the post office closed, and the difficulties that they would face in getting to other post offices where there were poor transport links. Many consumers also had concerns over the particular difficulties this could bring for older and more vulnerable consumers within their communities.

¹² Ibid

¹³ Postcomm was the postal services regulator. This role has now been taken on by Ofcom

¹⁴ The Social Value of the Post Office network, Report for Postcomm, NERA Economic Consulting, 5 August 2009

¹⁵ Ibid

¹⁶ How was it for you? Consumer engagement in the post office closure programme, Consumer Focus, February 2010

The importance of post offices in rural areas

In rural areas, closure of the local post office can have a significant effect on members of the community, and they are usually faced with having to travel to the next available branch in the nearest town or village to access post office services. Consumers reliant on public transport can face significant difficulties in accessing essential services, particularly access to cash, pensions and benefits.

According to the National Travel Survey, only half of households in rural areas have an hourly or better bus service within 13 minutes walk, compared to 96 per cent of households in urban areas¹⁷. For some older, disabled or vulnerable consumers, a longer journey to get to a post office can be almost impossible.

A larger proportion of older people live in rural areas, with over a quarter of the population in rural areas aged 60 plus¹⁸. Older consumers use the post office more often, with 40 per cent of those over 55 using the post office on a weekly basis¹⁹.

Rural post offices also often support the last remaining retail outlet or village shop in a community, and in cases where the post office side of the businesses closes, it becomes harder for the shop to remain open. For some communities, the village shop will not only be a crucial retail outlet for the neighbourhood or village immediately around the premises, but also for the surrounding area. There are likely to be significant knock-on effects for local firms that rely on their local post office to carry out their business. This includes costs associated with having to travel further to an alternative post office, and direct costs, such as the price of petrol.



¹⁷ State of the Countryside Report, CRC 2010

¹⁸ Ibid

¹⁹ Securing the Post Office network in the Digital Age, BIS, November 2010

What we did

Two years on from the completion of the Closure Programme, Consumer Focus has investigated, in-depth, the effects that post office changes and closures have had on individual consumers and different communities. Our aim was to gain an understanding of how individual consumers and communities have coped with the closure of, or change to, their post office.

This research had the following objectives, to:

- determine how the Closure Programme affected access to post office and other essential services; the local economy; and local businesses, in particular within more rural and remote communities
- find out to what extent the concerns consumers' expressed during the Closure Programme have been realised, specifically in relation to vulnerable consumers
- examine the wider implications and long-term impacts of the Closure Programme
- find out whether consumers and communities have been able to adapt to, or help mitigate, the changes that have been made or whether impacts were mitigated as a result of the structured and strategic Closure Programme – or a combination of the two
- evaluate the Devon County Council support scheme set up as a result of the Closure Programme

Following the challenging budget settlements to local authorities under the Comprehensive Spending Review (CSR), we are seeing cuts to essential community services, such as public transport, day care centres and libraries. With the economy still very much in a fragile state, there is an increasing strain on households budgets, coupled with the reduction in access to services. It was important to look at how communities in Devon have been affected in the long term, and to understand the impacts of post office changes and closures, against the wider social and economic pressures since the closures took effect.

Changes in circumstances: like the effects of cuts in bus services; rising petrol prices; and the economic slump all mean that post office closures have been accentuated, and that some areas have been increasingly marginalised.

It is also important to determine whether impacts were minimised due to the structured and strategic programme of post office closures; and consequently, whether there are lessons that can be learnt for future network restructuring.

To explore the impacts of the Closure Programme, Devon²⁰ was selected as a case study to enable us to examine the impact of post office changes and closures across a range of different communities. We also wanted to look at the impacts across the more remote and rural communities, which typically have lower access to essential services.

²⁰ The use of the name Devon is that part of the historic county which excludes the two unitary authorities: Plymouth and Torbay, which are independent of Devon County Council

Why Devon?

Response to the Closure Programme

Consumers in Devon were highly concerned about the effects that proposals under the Closure Programme would have on them as individuals, and as a community. POL received approximately 7,300 pieces of correspondence from consumers across Devon during the six week consultation period. 32 meetings were held with members of the public and stakeholders in Devon as part of the public consultation. Only in Greater London did more people respond to Closure Programme proposals.

Predominantly rural

Devon is the largest county in the South West and is predominantly rural and sparsely populated, being the seventh most sparsely populated county in England²¹. Devon has just over 360 small communities which have a population of less than 4,000²².

Of the 750,105 people living in Devon, 52 per cent live in rural areas²³.

Accessibility is often a problem in rural areas; and provision of local transport and access to local services are key challenges for the county. Although Devon as a whole is not a deprived county, pockets of significant deprivation do exist, mainly due to the deeply rural nature of some areas, and the barriers in access, in particular, to housing, employment, and services.

Devon contains the two national parks of Dartmoor and Exmoor, with the deeply rural nature of these areas, posing challenges for residents and businesses. There are also issues due to the seasonality of the tourist industry.

An ageing population

Devon's population is older than the English average and 26 per cent are aged 65 or over²⁴. The population in Devon is also growing at a substantial rate and the total is expected to increase by 138,000 by 2021²⁵. The over 50 age group is predicted to grow by one third in the next 15 years²⁶. As a result, there is already a significant demand for local services, including access to post offices, which is likely to increase further in the coming years.

Range of outcomes

Devon also experienced a range of different outcomes following the Closure Programme. A number of post offices closed, with a total of 45 post office closures with no replacement service (12 per cent of post office branches in Devon). A further 38 post office branches were replaced with an Outreach service (10 per cent of post office branches in Devon), which was the second largest number of Outreach services proposed in an area under the Closure Programme.

²¹ Challenging the Cuts, Devon and Torbay Post Office Task Force, Final Report, January 2009

²² Devon's Sustainable Community Strategy, 2008 – 2018, Devon Strategic Partnership

²³ The Rural Share of Deprivation in Devon, Executive Summary, Community Council of Devon, Oxford Consultants for Social Inclusion, South West ACRE Network, October 2009

²⁴ Impact Assessment, Devon County Council – Service Prioritisation, January 2011

²⁵ Challenging the Cuts, Devon and Torbay Post Office Task Force, Final Report, January 2009

²⁶ Report OSB/3/09 of the Overview and Scrutiny Board the Cabinet 10 March 2009, Support our Post Offices for a Sustainable Future

Devon County Council support

Devon County Council created and implemented its own local funding scheme in response to the Closure Programme. This provided business advice and community development support, in addition to direct financial support, to secure full-time Partner Outreaches in village shops. Typically, these shops were the last remaining retail outlet in that community. This support reflected the high probability that the attached retail premises would close without the footfall associated with the post office.

As part of our study, we have looked at how this funding programme has assisted these communities, and evaluated whether there are any lessons that can be learnt for other councils who may be considering introducing similar funding, or support packages. In many locations, POL's original plans would have led to the withdrawal of post office services in these shops, with part-time Outreach services being established in other 'host' facilities.

Method

To undertake this study, we used a range of research methods to capture the views and experiences of consumers and small businesses:

- Consumer questionnaires were distributed in a number of different locations: some in communities that had lost a post office; some in communities that had lost a post office and subsequently the village shop; and some in communities where the post office had closed and been replaced by an Outreach service
- Interviews were conducted with members of communities affected by the closure or downgrade of post office services, to find out what effects, if any, the closure of the local post office has had on the village; and to find out if the community had taken action to try and lessen the effects of losing their post office. In some cases, this involved interviews with individuals who had, or were in the process of, setting up a community shop; or interviews with individuals who were actually running a community shop (in some cases with a post office). These communities are represented as case studies throughout this report
- Interviews were also conducted with the operators of the 16 Partner Outreach services, which received funding under the Devon County Council initiative. These interviews focused on their experiences of running a Partner service, and explored the benefits of, and impacts associated with, the council funding. Interviews were also conducted with some of the core subpostmasters of these services
- Feedback was also obtained from a number of SMEs operating in Devon who are members of the Federation of Small Businesses (FSB). As a result, we have been able to find out the impact that the Closure Programme has had on these businesses

The research also reflects Consumer Focus's experience in monitoring changes to the Post Office network since the completion of the closure programme. Consumer Focus has a statutory function to monitor the number and location of post offices. We also provide specific guidance and support to consumers affected by changes in post office provision.

Consumer questionnaires

- **Tipton St John** – the post office in the village shop was closed, however the shop is still running:
200 consumer questionnaires were distributed alongside the Resident Association's monthly newsletter in September
- **Barbrook** – the post office in the village shop was closed, with the village shop subsequently closing: 50 consumer questionnaires were distributed to Barbook service station, which now provides the only access to groceries for the community
- **Stokeinteignhead** – the post office in the village shop closed, with the village shop subsequently closing: 25 consumer questionnaires distributed in the community shop
- **Shebbear** – the post office closed and was replaced with a Mobile Outreach service: consumer questionnaires distributed in the village shop
- **West Down** – the post office closed and was replaced with a Hosted Outreach service in the village hall: consumer questionnaires distributed in the village shop



Post office changes – effects across Devon

With the post office providing an invaluable service, it was inevitable that the Closure Programme would have a negative impact on the communities that saw their post office close or downgraded to an Outreach service. At best, this has caused inconvenience for consumers, who must now travel further to visit alternative branches. Where consumers have access to private transport, or adequate public transport, they have generally been able to adapt to the changes in provision. For example they now use post offices close to where they work or shop.

However, for many consumers, including some older people, those on low incomes, and those without public transport, the effects of post office closures have been significant, and access to key services has been made more difficult as a result.

In almost 40 communities, a replacement Outreach service was introduced to help off-set the closure of the full-time branch²⁷. In some areas, the Outreach service has been welcomed, and the community is thankful that they have retained a form of post office provision. However, a limited product range for some Outreach services, and technical problems, mean that some communities, and particularly the small businesses that operate within them, are left without access to essential services.

Access to services

Private transport

Consumers with access to private transport appear to have experienced the least impact following the closure of their post office and, despite the inconvenience of having to travel to other branches, have generally successfully adapted. Many consumers now travel to the nearest town or village especially to visit the post office, or time their visit to the post office with their regular visit to the next town for shopping or other needs. However, for many, adaptation comes at a price.

Consumers report that although they are able to drive to the nearest town, the traffic can be heavy, leading to congestion and traffic jams and, as a result, it can be difficult to find parking. These issues are particularly notable in the towns which are popular tourist spots. For example, residents living in Tipton St John, where the post office was closed, must now visit the next available post office in Sidmouth. Sidmouth is a seaside town on the Jurassic Coast of Devon, which receives many tourist visitors, particularly in the summer when it hosts a Folk Festival. As such:

‘Parking is near impossible within a convenient distance of next post office’

The challenge of finding somewhere to park is made worse by high parking fees. Pay and display parking, usually aimed at tourists, can be more expensive, but is often the only choice.

²⁷ 17 partner services, predominantly located in village shops; 11 hosted services in village or church halls; eight mobile services parked in a central location; and two home services were introduced

For some, these challenges are leading them to travel considerable distances in order to access alternative branches, for example, in towns that are less congested and where it is easier to park. Residents in Offwell, where the post office was closed, say that they prefer to use alternative post offices to their nearest available post office in Honiton, because of the problems of parking, congestion, and also because of problems with the service standards in the main Honiton branch²⁸. Instead, some consumers tell us that they now drive to post offices at Colyton and Kilmington, six miles away, and twice the distance to Honiton.

Although access to private transport can provide consumers with additional flexibility, increasing petrol prices can cause financial difficulties for both consumers and small businesses. The cost of petrol has risen dramatically over the past 12 months, with rural areas seeing more of a dramatic rise than in urban areas. According to BBC Devon, fuel prices hit an all time record high in Devon earlier in 2011: motorists are now paying £10 more to fill up their tank than they were a year ago. As of April 2011, the average price of petrol in the county was £1.36 a litre and £1.42 for diesel²⁹.

With average earnings in Devon below the UK national average, residents are facing an increasingly tough fight to meet the rising cost of using their cars, particularly where there are few alternatives available to them.

Public transport

For members of the community without access to private transport, the challenges of getting to other post offices are often considerable.

In Devon, 19 per cent of households do not have a car, including 17.5 per cent of people in rural areas³⁰. In addition, many other rural households have only one car, meaning that if the car is used for commuting, and there is more than one adult living in the household, at least one adult may not have access to private transport during the day. In areas where public transport provision is poor, this means that many full-time parents, and also home-workers, can be left without access to transport of any kind.

Poor public transport is a major issue for many older and vulnerable consumers, who are typically more reliant on public transport, and who may need to travel by bus to cover relatively short distances. In common with all rural areas with sparse populations across the country, public transport provision in parts of rural Devon can be poor. The loss of post office services, added to the level of transport provision, has compounded the problem.

²⁸ Consumer Focus worked closely with Honiton Town Council to ensure that appropriate action was taken by Post Office Ltd to improve the overall quality of service experienced by local constituents. We also carried out on-site monitoring to check that improved service levels were being maintained

²⁹ <http://bit.ly/rds2Ni>

³⁰ Impact Assessment, Devon County Council – Service Prioritisation, January 2011

Bus services

Many of those who responded to our questionnaires reported inadequate bus services to get to other post offices. Some bus services only run once an hour, and in some of the more rural communities there may only be a bus service once or twice a week³¹.

'I go to town (10 miles away) on Wednesday's single bus'

For example, in Stokeinteignhead, a village with a population of 700 located in a steep valley in south Devon, there is only a twice weekly bus service (on Wednesday and Friday) to the next nearest post office in Shaldon. This may explain why consumers living in this part of Devon told us that they found it difficult to use the post office since their local post office closed under the Closure Programme.

In some other cases although there are return bus services back to the village, they may be several hours later. Consumers therefore have to spend this time in the town or village before they can return home. In other instances, there may not be enough time for consumers to carry out their business in the town or village, before the next timetabled return bus journey.

'There is a two-hourly bus service to Sidmouth at the most inconvenient times; it takes me, at 90 years of age, nearly a day to get there and back'

In some communities, the nearest bus stop can be a considerable distance from the village centre, meaning a long walk for some consumers before they can actually get onto a bus. This walk may be impossible for those who are less mobile.

Some consumers, and in particular older and less mobile people, talk about having to take a taxi to reach the next available post office, as there is no alternative for them. It is a trade-off that they have to make in order to be able to access cash or pay a bill on time. However, this can place a large burden on already limited funds.

'I now have to make a six-mile round trip to the alternative post office, which costs me £18 by taxi – this is a lot of money to spend from my weekly pension'

Community transport and Fare Cars

Although some areas in Devon have a very limited bus service, or no public transport at all, there are a number of different community transport schemes on offer. These schemes have been introduced, either to provide services for those unable to use public transport (eg frail, older or disabled consumers), or to ensure that, where public transport provision is limited, members of the community still have a way to get to the services they need.

Devon County Council has worked closely with the Community Transport Sector over a long period of time to build the sector, through providing support, funding, and guidance in a partnership approach. Across Devon, there are six community bus schemes, a number of different community car schemes, 16 Ring & Ride schemes, and 11 Fare Car schemes in operation³².

³¹ There are often difficult challenges for local authorities in balancing the essential needs of a relatively small number of people within the more rural communities, with the high cost of providing bus services, which may not be well used

³² Fare car schemes are not Community Transport. They are demand response public transport services operating by the commercial transport sector

Community transport in Devon

Community bus schemes – a small bus is operated by a community-based organisation with volunteer drivers to provide regular, scheduled local bus services planned in response to local needs on a non-profit making basis.

Community car schemes – volunteers use their own cars to carry those unable to use conventional transport to pre-booked destinations, eg medical appointments.

Ring & Ride schemes – a pre-booked wheelchair-accessible mini bus service which transports members of the community who are unable to use public transport services into local towns to allow them the opportunity to do their shopping and use local amenities such as the post office.

Fare Car schemes – a shared public transport service operated by private hire cars/taxis, by formal agreement with Devon County Council. Like a bus service, Fare Cars have fixed arrival and departure times but, unlike a bus, Fare Cars only run for passengers who have arranged a journey in advance.

According to Devon County Council and Torbay Council, more than 39,200 Ring & Ride and 18,000 Fare Car passengers are carried every year³³. In many areas, these schemes provide a critical service, and have gone some way in lessening the effects of post office closures across the county.

However, our research still found that some older and vulnerable consumers have become much more dependent on their friends and neighbours to access post office services since the Closure Programme took place.

‘The elderly have to rely on neighbours to take them to the post office’

In some instances, for example in Offwell, the community has developed its own solutions to ensuring that older customers can easily visit an alternative post office on a weekly basis to withdraw their pension and carry out other essential transactions. This has been co-ordinated by local volunteers and members of the Offwell Rural Services Association, a local organisation set up following the closure of the village shop in 2002. Volunteers use their own transport to ensure that these local residents can maintain their independence, and this vital service is arranged on an ad-hoc basis.

³³ Local Transport Plan 3, Devon and Torbay Strategy, January 2011, Devon County Council and Torbay Council

Bus service reductions

According to information on Devon County Council's website, cuts to local authorities under the CSR have meant that the Council is unable to sustain funding for bus services at its current levels. Reductions have been made to subsidised bus services, ie on routes that are not commercially viable. Funding to bus services in Devon has been cut in 2011/12 by £1.35 million (17 per cent) affecting 70 bus routes across the county³⁴. A recent report by the Transport Select Committee on bus services after the CSR, found that 70 per cent of local authorities have already decided to reduce funding for supported bus services due to the budgetary pressures that they are facing³⁵.

Devon County Council has tried to ensure that communities are not cut off by reducing the number of services on these routes, through retaining a number of off-peak bus services to reflect the demand for these services. In some cases the bus service has been reduced in frequency or replaced by a Fare Car. In other areas where a community was served by a Fare Car, the days of operation have been reduced.

Broadly, where services have been reduced, the aim has been to retain a level of off-peak service that can continue to be used by people to travel to towns to use their facilities, such as post offices.

However, although it is too early to tell, the reductions to bus services may have a long term detrimental effect on the communities they serve and their access to essential services.

In addition, Devon County Council has expressed uncertainties about whether the community sector, through community transport, could replace the services that will be lost. These uncertainties have also been expressed by the Community Transport Association, including at the House of Commons Select Committee hearing in March 2011. It remains to be seen whether Community Transport can meet the resources needed to be able to cope with a rise in demand from consumers, as conventional means of public transport are further reduced.

These reductions highlight the deteriorating situation that some communities are facing in the long term, with the immediate effects of post office closures having been made worse by more recent changes in transport provision.

Cash and banking services

In rural areas, and particularly those that are more remote and sparsely populated, such as Dartmoor, there is a lower level of access to banking services. Across England, just 11.5 per cent of all ATMs and 13.1 per cent of banks and building societies are in rural areas³⁶.

³⁴ <http://bit.ly/nkN4Uk>

³⁵ Bus services after the Spending Review, Eighth report of session 2010-12, House of Commons Transport Committee, 12 July 2011

³⁶ NFU written evidence to the Treasury Select Committee's inquiry into the future of cheques, 1 June 2011

Numbers of high street banks have been steadily declining in recent years, with one-fifth of banks and building societies (2,213 branches) having closed since 2000, and around a third (35 per cent) of branches having closed in the last 15 years³⁷. Today 1,000 communities have no bank branch, a further 1,100 have only one, and 500 have two³⁸. Already this year 24 small towns and villages have been abandoned by the main High Street banks, and 16 other communities also suffered a branch closure³⁹.

Many consumers say that they currently find it easier to access a post office than a bank, particularly in rural areas, and so want to be able to use the post office to access their accounts⁴⁰. One of the small businesses that we heard from during our study, located in a small village in between Totnes and Newton Abbot, said that the post office is open longer hours than the nearest bank branch, and provides an invaluable business banking service to them.

For some communities, the post office may be the only source of cash in the community. If the post office is closed, it can have a significant impact on individuals and small businesses who use the post office to access bank accounts; make withdrawals and deposits; withdraw pensions and benefits; and, in the case of small businesses, deposit takings.

Recent Consumer Focus research looking into current account access through the post office found that four million customers use post offices to access and use their bank accounts. Two thirds of the rural consumers surveyed (who are able to access their account through the post office), do so on a monthly basis⁴¹.

In some towns and villages that have lost their post office, alternative cash machines or cash-back services are available, in part, making up for the loss of the post office in that community. However, in some cases, these machines will charge a fee, so consumers are left with no option but to use a machine. This can charge up to £1.75 each time they need to withdraw cash. These costs place an added burden on consumers, especially those on low incomes, who are up to four times more likely than higher income groups, to withdraw small amounts of cash frequently⁴².

Shebbear

The previous post office in the local shop in Shebbear provided the village, and the population of just fewer than 900 people, with the only free to use ATM. When the post office was closed under the Closure Programme, and the post office ATM withdrawn, the owner of the shop opted to introduce a fee charging ATM, costing £1.50 per transaction. Residents in Shebbear who now want to use a non fee-charging ATM must travel just under seven miles to the market town of Holsworthy.

³⁷ Counter Measures – Delivery access to current accounts for all at the post office, Consumer Focus, August 2011

³⁸ <http://bit.ly/nl4bAe>

³⁹ <http://bit.ly/nl4bAe>

⁴⁰ Counter Measures – Delivery access to current accounts for all at the post office, Consumer Focus, August 2011

⁴¹ Ibid.

⁴² <http://bit.ly/oCMFCB> (PDF)

The loss of post offices, or the downgrading of services, has resulted in particular effects for older consumers who used the post office to access pensions and benefits. There are 3.3 million people with a Post Office Card Account (POCA), which allows users to receive and withdraw benefits and pensions over the post office counter or via post office branch cash machines⁴³. More than two million pensioners use a POCA to withdraw their pension⁴⁴. Many more consumers, including those in rural areas, receive their pensions or benefits into a High Street current account, but make withdrawals from the post office because of its far higher levels of branch coverage.

Older consumers will be much less likely to use alternative channels, such as the internet, to access the services that they need. While nine out of 10 adults (90 per cent) aged 35-44 have the internet at home, this falls to just a quarter (26 per cent) for those over 75⁴⁵. Six million people over the age of 65 have never used the internet⁴⁶. They are more likely to be reliant on the post office to access services, even where these are available online. This is particularly the case in rural areas.

Despite Outreach services being introduced to help lessen the effect of post office closures, and to provide communities with access to key services, our study has found that, for some communities, the service is a very poor substitute for the post office that closed.

Technical problems with equipment, and service interruptions, can prevent these services from being able to provide key services, such as access to cash, or pension withdrawal. In the cases of Mobile and Hosted services, the service may only be provided for a very limited period each week, meaning that these interruptions can have a serious effect on those who need to access these services at that time⁴⁷. This can be very frustrating for consumers, and in some cases, can mean that the more elderly and vulnerable members of the community are not able to access vital services, such as withdrawing their pensions.

Where technical interruptions become a frequent occurrence, it can actually stop consumers from using the service altogether, as it is not reliable enough for them.

Local economy

Retail

In rural communities, the post office is often located in a village shop. It is estimated that 57 per cent of rural subpostmasters provide the only retail outlet in their village⁴⁸.

A major concern at the time that post office closures were taking effect was whether the symbiotic relationship between the post office and the supporting shop would also result in the closure of the shop.

⁴³ <http://bbc.in/qxt6B7>

⁴⁴ <http://bit.ly/onYRHE>

⁴⁵ The Communications Market, August 2011, Ofcom

⁴⁶ <http://bit.ly/owXMKA>

⁴⁷ Consumer Focus research undertaken in 2009 to evaluate Outreach services found that 22 per cent of Mobile users, and 18 per cent of Hosted users, reported that the service had been unavailable at least once when they've tried to use it. Sink or swim? – Post Office Outreach services in the long term, Consumer Focus, September 2010

⁴⁸ Business and Enterprise Committee, Eighth Report, Session 2008-09, Post Offices – securing their future, June 2009, HC 371-II, Ev 111

The footfall generated by the post office, and its importance as the focal point in the village, can be critical to the viability of the attached retail premises. This logic was instrumental in Devon County Council's decision to seek full-time Partner Outreaches in village shops that were likely to close without the additional custom associated with post office transactions. We will look at Devon County Council's involvement in the Closure Programme in more detail in the following chapter.

The closure of the sole retail outlet in the village can have wide-ranging impacts, not only effecting individuals who live in the community, but also small businesses, and the local economy as a whole.

Losing the village shop, in addition to the post office, can be a significant blow to the communities they serve. It is likely to worsen the problems for those reliant on public transport, and those who find it difficult to travel to shops elsewhere, as they will need to travel further to buy even basic goods.

The village shop also provides local employment and an outlet where local produce can be sold, helping to sustain neighbouring farms, etc. The closure of the village shop can have a significant impact on the overall sustainability of a community.

In Devon, the concerns expressed about the viability of the village shop once the post office was closed, largely proved to be well-placed. In 10 areas where the in-shop post office was closed, the village shop has also subsequently closed, for example at Barbrook and West Charleton.

'The shopkeeper needed the post office for extra customers and the commission made it a viable shop. It closed soon after'

In a small minority of villages, for example Shebbear, and Tipton St John, the village shop is still open. This is largely as a result of members of the community doing their utmost to support the shop, as well as the shop owners taking steps to diversify and improve the retail outlet to sustain and attract new custom.

For example, in West Down, the shop owner added a tea room to the shop to generate custom and to also re-introduce a social meeting place for the village, with both the old tea room and the post office having closed.

'The shop is well managed and has added a tea room to compensate for the loss of the post office'

However, there is increasing competition from the large out of town supermarkets, putting local shops in a precarious position. Coupled with the poor economic climate, and reduced customer spending levels, the future is starting to look bleak for many village shops. In fact, many of the communities we spoke to are now fearful that they will lose their shop.

'I have concerns for the long term viability of the shop, following their loss of income'

'The shop is much quieter now and is no longer the focal point of our community'

'The shop may survive if the community carry on supporting it but they are competing with big supermarkets that have all the other services in close proximity'

There has been a sharp increase in the number of supermarket-branded convenience stores, many of which are located in petrol stations or dedicated stores in urban fringe locations, further affecting the viability of village shops. These are likely to have increasing impacts on small town and rural locations in the coming years, with the large multiples, in particular Sainsbury's and Tesco, accelerating their growth in convenience stores.

Village stores will also need to increasingly compete against alternative means of shopping through the internet. Research group IGD's Online grocery retailing – Building capability for a digital future report found that online grocery sales will double within five years, and Morrisons has become the latest supermarket to make a move into online sales⁴⁹.

For some, the availability of alternative retail outlets, and the ability to shop online, will have allowed them to adapt to the closure of the local shop in their village. However, this will not have been an option for all, particularly for those who find it difficult to get around, and for those who do not have access to the internet, or don't feel confident in using it. Consumer Focus research in 2010 looking at low income consumers and their attitudes to broadband, found that only 29 per cent of those on very low incomes (less than £11,500 per year) have internet access⁵⁰.

This research also found that many older and low income consumers have a low familiarity with PCs and are reluctant to change their behaviour to begin using computers and the internet.

Despite the efforts that some retailers have made to try and sustain their business and the local village shop for the community, the competition and external pressures have been too great.

During the course of our study in Devon, we heard that in April of this year, the owners of the village shop at West Down announced that they would have to close the shop, as it had become financially unviable. The opening of a Tesco store at Ilfracombe, five miles away, had a significant impact on the shop. The owners are currently supporting the Parish Council's efforts to find out whether a replacement community run shop can be established in the village.

Some villages that have lost both their post office and subsequently the village shop have shown great determination and commitment, and have, in fact, now introduced a community run shop. We will look specifically at how this has been done across a number of different communities in Devon in a later chapter.

Local businesses

In Devon, more than 38,000 small businesses are home based and around 85,000 people work from home⁵¹.

When plans under the Closure Programme were announced by Government, research by the FSB revealed that 82 per cent of small business owners believed the post office closures would have a 'significant' impact on their companies, in most cases leading to business closure.

⁴⁹ <http://tgr.ph/oktQeD>

⁵⁰ Broadband minded? – Overcoming consumers' barriers to internet access, Consumer Focus, March 2010

⁵¹ <http://bit.ly/pNwoNQ>

Nine in 10 (91 per cent) of SMEs in the UK use a post office, and 59 per cent of all small businesses using a post office, use it once a week or more often⁵². Earlier this year, the FSB reported that 98 per cent of its members use mail services on a weekly basis, and that 33 per cent of these are in rural areas⁵³.

Post offices are also very much valued by small businesses as access points for business banking facilities, with many using the post office to send invoices and cheques. This includes eBay traders and home workers.

Access to banking services

With the closure of the local post office, small businesses have lost immediate access to the services they rely heavily on. As a result, they now have difficulties in withdrawing cash, and making cash deposits; and posting parcels, which they must do on a daily or weekly basis.

These businesses must now make additional journeys, with added time needed to travel to an alternative post office on a daily or weekly basis. There is also the added expense of travelling to an alternative branch, in addition to the indirect cost of staff taking more time to visit post offices further away. Parking also adds expense on top of the already steep petrol costs. In some instances, these additional costs, compounded with the wider economic downturn, are having a significant effect on their businesses.

In addition, the next available post office service many not always be acceptable for small businesses. With many post offices being replaced with part-time services, an increasing number of customers have had to travel further distances to access alternative branches that are open.

This means that some branches are unable to cope, and there are lengthy queues as a result. With time costing money for businesses, this has resulted in significant marginal costs. Some of the local businesses that we heard from were particularly critical of Newton Abbot and Honiton, where long waiting times and queues have been reported⁵⁴.

Access to cash handling is important for many small businesses and, with the loss of a local post office, there can be limited alternative services available. In its interim report, the Independent Commission on Banking, found that some smaller banks struggle to provide the infrastructure to serve this need, and that the Post Office provides an important function in filling part of this gap⁵⁵.

⁵² Postcomm, Business Customer Needs from a Universal Postal service in the UK, November 2010

⁵³ Written evidence from the Federation of Small Businesses to the Scottish Affairs Committee on Postal services in Scotland – of the 4.8 million SMEs in the UK, 215,000 are members of the FSB

⁵⁴ Consumer Focus research published in 2009 evaluating the quality of service and product advice in Crown and Privately Managed Post Offices found that average waiting times in Crown and Privately Managed branches have increased since the Closure Programme from 5 minutes 40 seconds in 2008 to just over 6 minutes in 2009. Similar findings also emerged in research looking into service quality in branches in Scotland and Wales following the Closure Programme

⁵⁵ Interim Report – Consultation on Reform Options, Independent Commission on Banking, April 2011

Broadband take-up

Where small businesses have good access to the internet, they can use other ways to access services, such as taxing vehicles online, and undertaking banking transactions. One small business we heard from told us that it used to use the post office daily, but most of its business is now done electronically, as it can guarantee that important information is delivered on time, and at much less expense.

Broadband is very important to the rural economy, and is a key driver in boosting the growth of rural economies. However, for small businesses, in particular, broadband penetration is only as good as the supporting infrastructure, such as post offices.

In the more remote and rural areas, broadband connection and speeds can often be poor. It is estimated that at least 166,000 people are stuck in 'not spots' for broadband around the country, and more than two million people in rural areas have inadequate broadband⁵⁶.

Ofcom has recently produced a map outlining broadband performance across different areas of the UK⁵⁷. Different areas are ranked according to the level of take-up of broadband, and the speed of broadband connection, with one being the highest take-up, and fastest broadband, and five being the lowest and slowest. Devon is ranked four for take-up and speed.

Where broadband connection is poor, small businesses rely much more heavily on access to the services provided by the local post office, and the effects can be quite dramatic for those in this situation.

Access to mail products

Given the significant direct and indirect costs for small businesses, many firms have chosen to use couriers and competitors to Royal Mail when sending mail products. This is ultimately costing these businesses more; however, they say that it provides them with a much more convenient and door-to-door service, and is a trade-off that they are willing to make.

Where an Outreach service has been introduced to replace a closed post office, it has not necessarily eased the burden placed on small businesses. Some partner services, for example, offer a restricted product range, leaving many small businesses without access to the services they need. Partner services do not offer Parcelforce products⁵⁸ and, in some cases, restrictions are placed on parcel weights, meaning that small businesses can have limited, or no access, to the mail services that they require.

In order to evaluate the parcel services available at Partner services, and to determine the level of restrictions that are being placed on parcel weights and sizes, Consumer Focus has recently carried out a mystery shopping exercise⁵⁹.

A number of Partner services in rural locations were contacted across the UK to establish whether they could accept various parcels of different sizes and weight. A majority of operators surveyed said that they could not take parcels of a certain weight or size (beyond 6kg), and if the customer needed to post a larger parcel, then they must go to a 'full-time' post office branch to do so.

⁵⁶ <http://tgr.ph/rgYOWX>

⁵⁷ <http://bit.ly/nsNgo9>

⁵⁸ <http://bit.ly/rK3Yox>

⁵⁹ The full results of this research will be published later this year

Other operators said that they were able to accept parcels within the Standard Parcel Service, and a small number, said that they were unsure about the exact size and weight of parcels that they could accept. This clearly demonstrates, at best, a lack of awareness among some operators of the parcel sizes that they can accept, or at worse, that a size and weight restriction on parcels is in force across many Partner services.

Part time services available two or three times a week (Mobile or Hosted services) are often poorly suited to the needs of many SMEs, which do not have the option of waiting to bundle together transactions. For example, eBay traders must send packages the same day.

A small business operating in a very rural part of Devon told us that they used to use the post office in the nearby village of Shebbear to post parcels and other mail services. However, the post office in Shebbear was replaced with a Mobile Outreach service which is available in the village square between 9 and 11am each day. The business owner does not use the service, due to these limited opening hours, and also as a result of poor reliability of the service. The Mobile van sometimes does not arrive in the village as it has broken down. The business now has post collected when their mail is delivered, usually around noon to 1pm. However, if any mail needs sending after that time, they must ask a member of staff to post it on their way home, or go to the nearest post box and wait for the postman to arrive, as some of the parcels will be too heavy to put into the post box.

Other effects

In Devon, agriculture is still a dominant sector, with a workforce of approximately 25,000 and 11,000 farm holdings⁶⁰. However, the loss, or downgrading, of post office services does not appear to reflect the particular needs of these business users. For example, we have been advised that many small rural businesses, including farmers, will only accept payment by cash or cheque, to avoid bank charges. However, many partner services do not accept payment by cheque, and as a result many farmers and small rural businesses are unable to use the Outreach service most local to them.

The experience of these farming communities highlights the different, and specific needs across different communities, and not necessarily ones that could be planned, or picked up, in advance of post office changes. This underlines the importance of local consultation, and an effective mechanism for planning post office changes, looking at a range of different factors, in order to ensure the needs of users are taken into account.



⁶⁰ <http://bit.ly/pcaMbb>

After speaking with a number of the operators of the Partner services in Devon, it is clear that they have noticed a decline in the level of business custom, as they are not providing some of the key services that these businesses require. As a result, it is likely the long-term viability of Outreach services may be compromised. For example the mobile service at Shebbear has been reduced from 15 hours per week, when it was first set-up, to eight hours per week now. We have had feedback from the local MP and other local representatives suggesting that the mobile service is unpopular as it is not available at convenient times, and has had a history of being unreliable.

In addition to the loss of services, some small businesses situated nearby have been directly affected by the closure of post office branches. Post offices attract users to local shopping areas, and losing the post office can mean losing another reason to visit the area in which it was once located. With customers no longer withdrawing cash at the post office, it also means that they will not spend the cash locally and within local businesses, and are more likely to spend it in the areas where they can withdraw cash.

More than a post office

For the smaller and more remote villages, the post office not only provides essential products and services. It is seen as the focal point of the village, and a social hub, where members of the community can socialise and find out information on events and social occasions happening in the village.

Residents in West Charleton, south Devon, talked about how supportive the post mistress was with older members of the community, providing them with informal advice, and helping them to fill out complicated forms; and in some instances, even helping them with their weekly shopping.

Losing the post office and this social hub therefore, can have a much wider and social impact on the community, and we heard that in some communities it has left older members feeling much more isolated and detached from village life. This is compounded even further in neighbourhoods where there are no other community services or facilities available.

‘The loss has isolated our elderly people and our community is now fragmented’

With the loss of the focal point in the village, it is now down to specific individuals within the community to try to keep the community spirit going, through community events and introducing themselves to new members of the community. However, it was clear that this always seemed to be down to the same individuals, and it was becoming increasingly difficult for them to organise events as there was a lot of work involved.

‘It has been a great loss to the whole community. The village shop with the post office was the centre on the community’

While the requirements of the Closure Programme were to ensure that access to services was maintained where it could be, and this was rightly the primary driver of the programme itself, much wider impacts have obviously been felt.

In some communities, however, the social impact of losing the post office has been less pronounced, as the community has looked at ways of softening the impact of the loss. For example, in Northlew, residents now use the replacement Outreach service as a meeting place, so that members of the community can socialise and meet on a regular basis. The replacement Hosted Outreach service, operating five hours a week, is now located in the Church Room, adjacent to the previous shop and post office.

Volunteers in the community provide tea and coffee in the church room at the times the Outreach service is operating, and various stalls have been set-up to coincide with the Outreach service, selling plants, vegetables, cakes, greetings cards, jewellery and books.

‘The community enjoy meeting for a coffee and it has improved the community spirit a good deal.’

Northlew is a particularly good example of how the community can come together to find a solution to mitigate the lost services, and how Outreach services can be promoted and used by a community. This highlights how vital it is that the community uses these services, helping to sustain them over the longer-term.



Devon County Council Support Scheme

Making an impact

Understanding the critical importance that post offices play for the communities they serve, Devon County Council wanted to play a key part in securing the best possible outcomes for its communities under the Closure Programme. The actions of the Council at this time represent one of the most effective responses of any local authority to the Closure Programme.

Through the establishment of a Devon and Torbay Post Office Task Force at the start of the Closure Programme, Devon County Council was able to gather local information and intelligence from different representatives to understand the potential effects of the proposed changes. The Task Force was also able to identify which areas would likely to be worst affected by the loss of post office services, or the downgrading of full-time services into part-time 'hosted' Outreaches (ie Hosted and Mobile services).

Devon and Torbay Post Office Task Force

Members included:

- Senior council officers
- Elected members
- Community sector representatives
- Postwatch representative
- Local subpostmaster
- Dartmoor National Park Authority representative – interests of remote communities

Although the Council opposed the loss of services in the county, it acknowledged that Government policy required an equal proportion of closures in each area. On this basis, the Council realised that it was particularly vital to try and save post offices which were located in the last retail outlet in the village, as real harm could be caused to the communities which they served if they were to close.

Where POL had initially consulted on proposals to replace some post offices located in the only critical retail outlet in the village, with a Mobile or Hosted Outreach, Devon County Council persuaded POL to delay their decision. It subsequently worked with POL to look at the Partner service as an alternative form of Outreach service.

Partner Outreach services within the existing local shops would help to retain the existing customer footfall in these shops; reduce the disruption to individuals and communities as much as possible; and help to better promote the sustainability of the community. As Partner Outreaches are typically offered alongside the main retail offer, it also means that communities can benefit from a full-time post office service, where the original proposals would have seen opening reduced to part-time service levels.

While working alongside POL, Devon County Council also looked at a strategy for helping to support these Partner services to remain viable on a long-term basis. In September 2008, the Council introduced a support scheme, which was made available to 16 village shops (see annex), each of which hosted a Partner Outreach service, and which was the last retail outlet in that location.

The scheme

What did it offer?

The Devon County Council support scheme encompassed both financial and practical support, and was geared towards improving the sustainability of the Partner services over both the short, and crucially, the longer-term.

Financial support

A grant of up to £5,000 per year was available for each Partner Outreach service meeting set criteria, for a period of three years starting in September 2008.

Overall, the financial and practical support package provided by Devon County Council from 2008 to 2011 came to a total of £450,000.

Set criteria:

- The previous post office had been closed, with a Partner Outreach service introduced with the support of a Core Subpostmaster
- The shop in which the Partner service operated was the only convenience store in the village, and was open for a defined number of hours and days each week
- Based on financial information provided by the operator of the Partner service, it was clear that the future of the retail outlet would be more sustainable following financial support
- The operator had committed to run the Outreach service, initially for a period of 30 months

Specialist retail consultancy

Specialist retail consultancy support was provided to each Partner service by the Rural Shops Alliance (RSA), a national trade association, working to support the owners of independent rural shops.

The RSA visited each of the retail premises to undertake a business evaluation, and to try and help the Partner Operators make best use of their retail space; raise their operating standards; and ensure that the services and products the retail outlet is providing are meeting the needs of the community.

Community development support

As part of the support package, community development support was also provided by the Community Council of Devon, a local charitable organisation. This support package sought to enhance relationships between the shop and members of their local community, and therefore secure buy-in from the community, with the aspiration of increasing customer footfall.

The Community Council of Devon largely did this by trying to raise awareness of the Partner service in the village, and by encouraging the community to use the retail service to ensure that such a vital local service was maintained – in effect, working with communities to promote the message ‘use it or lose it.’

How did it help?

Financial support

Devon County Council did not stipulate how the grant should be spent and operators could use the grant as they wished. For some operators who were previous subpostmasters, they used the grant to subsidise their income, as the remuneration package on offer to Partner operators, which consists of transactional-based revenue, is typically not as favourable as that of a subpostmaster.

Other operators focused on the shop and retail side of the business, using the grant to make structural improvements to the shop, in order to improve the layout and retail side of the business.

Each operator said that they used the grant in a way they thought would most help to promote the sustainability of the business – operators tell us the grants provided critical stability for them at a time of major change and uncertainty.

Kennerleigh

The original shopkeeper/subpostmaster was considering closing the local shop following the Closure Programme, and was not interested in providing a Partner Outreach service, mainly due to the poorer remuneration package offered by POL. However, owing to the strength of feeling in the community and the need for a post office and village shop, the subpostmaster changed their mind.

The Devon County Council grant helped the shopkeeper/previous subpostmaster to make the transition to a Partner service by helping to address the financial concerns that they now had in relation to the income provided under a Partner service.

The grant was initially used to help improve the shop layout, and the external appearance was smartened up by replacing the shop sign. The grant also helped the shopkeeper to establish a new product range, and to source new local products, following feedback from customers. This is still very much an ongoing process, with regular newsletters to the local community, promoting new products and seeking feedback.



Practical support

Operators tell us that the practical support offered through the specialist retail consultancy and community development initiatives proved to be as important, if not more so, than the direct financial assistance.

With increasing competition from larger retailers and supermarkets, small village shops are finding it increasingly difficult to sustain business, particularly in areas with very small populations and catchment areas. This is also the case in locations where a significant proportion of the population commutes to nearby towns or cities during the day.

The practical support offered was geared at reviewing the retail side of the Partner service. This included:

- determining where changes and improvements could be made to the retail side of the operation
- identifying opportunities for business diversification
- developing business plans for each premises
- and working to improve the long-term viability of the premises more widely

It is not always easy for the village shop to keep in touch with changes in retail trends. In some cases, the premises in which the village shop is located may not necessarily lend itself to 21st century retailing, limiting the potential for these businesses to survive.

The RSA evaluated the external appearance of each shop to see whether it looked appealing and whether changes would be likely to encourage more customers into the shop. The quality of retail displays and fittings were also reviewed.

The range of retail products on offer by the service was also a key area for evaluation. The RSA recommended that operators engaged with the community to find out what products they wanted, and to update and invest in the product range on offer, to appeal to the wider community.

Following the support and advice from the RSA, operators have made improvements to the layout of shops, as well as looking into, and investing in, new products. Some businesses have also reported that they have seen a noticeable increase in footfall and turnover after making these changes – tangibly increasing their long-term prospects. This has given them much more hope and confidence about the future survival of their business.

Widcombe in the Moor

The retail support provided by the RSA, has helped the owners to formulate a long-term business plan which involves establishing a larger shop which will improve and increase the retail offer to customers, such as providing an off-licence.

The Post Office and village shop, in fact, now provides a social ‘hub’ to the community, also providing a cafe, and is also aimed at attracting tourists from Dartmoor.

The community support measures, provided by the Community Council of Devon, centred on a range of awareness raising activities. Each activity was designed to encourage local residents to use their village store more frequently, and to actively see the retail store as a key part of their community, and one that they should actively support.

Public meetings and other locally-based awareness raising activities were held in villages. For example, in Bishop's Nympton, local primary school children were asked to design a shop logo, and the winner was revealed during the opening ceremony for the shop.

Some operators have been able to see the difference that these activities have made, and say that it has helped to increase their turnover, which has been both significant and sustained.

The Community Council of Devon was also tasked with helping to facilitate communication between the participating retailers, and organised meetings so that they could bring operators together; provide feedback to Devon County Council; and share best practice between them.

Support extended

Despite providing valuable assistance to the Partner operators over the initial three year funding period, Devon County Council recognised that further support was needed to secure the overall objective of ensuring each premises was sustainable over the long-term. With the first recession in nearly 20 years, and the challenges facing small businesses, the council realised that it would take further investment and support in order to improve the viability of the Partner services.

In July 2010, the Council therefore decided to extend the support package for a further two years, at a cost of an additional £84,000. Each Partner service is scheduled to receive an additional £2,500 in 2011/12, tapering to £1,500 in 2012/13, plus specialist retail advice from the RSA for each of the remaining two years.

What lessons can be learnt?

The scheme has delivered its core objectives

In implementing a package of measures designed to maintain both post office and retail provision in rural areas, the Council has secured access to vital social and economic services for many of its rural communities.

From assisting the Partner services at the transition process, through to helping increase turnover, and building the long-term viability of each service, the scheme has delivered on each of its key objectives.

Devon County Council should be commended for recognising the negative effects that the Closure Programme could bring, and for stepping in and committing its own funds to introduce a scheme to help lessen these impacts.

POL should also be commended for engaging and working with the Council during the consultation process, and for agreeing to make changes to their proposals, based on the intelligence and arguments put forward by the Council. The positive outcome for consumers would not have been achieved without the flexibility shown by both the Council and POL.

The focus of the scheme delivered immediate and long-term benefits:

Devon County Council recognised the importance of long term business modelling, and the real benefits that could be brought from the practical retail support. This was not just a short term subsidy – as a result, the assistance package has ensured that the Partner services and shops have had the best possible support available to ensure the long-term sustainability of their businesses.

Where other local authorities may be considering introducing similar schemes, we recommend that more thought be given to which aspects of any financial assistance will deliver the greatest return for the investment. For example, it may be worth considering whether a scheme should require grants to be targeted against specific areas of the business, or invested in ways that are agreed in advance with the Council. Alternative schemes may also want to consider whether other funding conditions or criteria should be met.

For example, under the Devon scheme, funding was provided to the last shop in the village hosting a Partner service. However, if the funding for alternative schemes was to be tighter, consideration may need to be given as to whether there should be additional criteria. For example, funding could be based on the geographic proximity of the post office or shop, or the degree of public transport coverage, etc.

Some of the Partner services that received support under the scheme have now closed, or changed to an alternative Outreach service or a Post Office Local. These however have been as a result of business as usual changes, which can occur at any time across the Post Office network.

For example when there is a change in circumstance for the subpostmaster or operator, eg, resignation or retirement. This happened when the Partner Outreach service operating in the village shop in Ashwater had to close as the lease expired on the shop premises, and the shop owners decided to retire at that time. More information on each of the 16 Partner Outreach services that received support under the Devon County Council scheme is in the Annex.

Devon County Council however, foresaw the potential for changes to the services that fell under the support scheme, and although a Partner Service may have changed to a Post Office Local or an alternative Outreach service, the financial and practical support has transferred to the new provider. As a result, all of the 16 communities that originally received support from Devon County Council are still doing so.

It is important that other local authorities, who may be considering support schemes, can show the same flexibility, and think about the changes that will occur naturally to service provision over time.

The scheme is highly transferrable

The success of the Devon County Council support package could help other local authorities that are thinking of introducing a scheme for post offices or other local businesses within their areas.

Devon County Council's scheme is a highly transferrable model, even in a challenging financial period. Indeed it may generate indirect cost savings for local authorities.

Research undertaken for Postcomm indicates that the social value of local post offices generates significant savings for local authorities⁶¹. For example, maintaining local post office provision means that councils do not have to increase the subsidy for concessionary bus travel, which may have otherwise proved necessary if post offices had closed. Clearly the scheme also delivers wider benefits in supporting sustainable and economically active communities.

The scheme could only be developed because changes were implemented in a strategic way

The success of the scheme demonstrates the importance of implementing post office changes in a strategic, area-based approach.

The Closure Programme was a structured and strategic programme, with area based plans outlining the proposals for post office closures across the UK. As such, it was much easier for stakeholders to understand the changes that were being proposed, and engage in the programme. The Programme also stimulated local-led responses, which were designed to mitigate and respond to changes in provision.

It seems unlikely that the scheme would have been developed, particularly given the funding and time constraints at play, if the changes in the area had not been proposed in a single tranche. The Council would not have been able to determine the impacts across the county, and develop an assistance package to target the areas that would most likely experience detriment as a result of the Closure Programme.

The structured nature of the programme provided Devon County Council, and other stakeholders on the Taskforce, with the necessary momentum to get fully engaged in the Closure Programme, and the space to develop their own solutions to the proposals that were being made.

It may also be the case that if decisions are not taken on a strategic basis, or implemented on a rolling, rather than on a 'once over the ground' basis, local authorities may find it difficult to respond to or justify investment in support for post office provision.

Local coalitions are critical

The scheme worked well at harnessing local activity and getting the community on board – local coalitions should therefore form the basis of any new scheme that may be taken forward by other local authorities.

There are opportunities, through bringing together local interests who can come up with new and novel ways to support post offices, and potentially other services in their area.

It will also be important to look at how information and best practice can be shared across a scheme. For example, information and best practice could be shared by introducing a network or forum for Partner Operators.

⁶¹ The Social Value of the Post Office network, Report for Postcomm, NERA Economic Consulting, 5 August 2009

Community resilience – community action on post office closures

In response to the Closure Programme, communities across Devon worked together to develop and introduce community-led solutions to mitigate the impacts of post office closures.

In some villages in Devon where the local post office was closed, leading to the closure of the last retailer, villagers have come together to introduce a community owned and run shop. In other villages, where there was a risk that the sole remaining shop may close, the community has taken over running it, to ensure long term viability. Some of these community shops now also provide a post office service.

The experiences in Devon demonstrate the considerable resilience of communities to respond to the loss of post office services, and to mitigate the wider impacts of the closure on local communities.

These communities also offer a number of important lessons for community groups who want to respond with local-led solutions, in the face of the loss of critical social infrastructure, and in the development of community-led post office provision more broadly.

How have these been set up?

Motivation

Consumers' responses to the Closure Programme demonstrate the considerable importance that many individuals attach to their local post office.

Once proposals were under public consultation, many realised the potential effect if their community lost the local post office. As a result, there was a vocal response from communities across Devon, and indeed across the country as a whole. Many local campaigns were formed across the UK, with consumers responding to proposals in a number of ways, including submitting responses to the Post Office's consultation, signing petitions, and organising public meetings. Research from Consumer Focus found that over 2.7 million people made their concerns felt during the Closure Programme⁶².

In rural communities, where access to services is already limited, the local campaigning to protect post office services was typically at its most pronounced. Consumers in rural areas of Devon expressed significant concerns that the loss of the post office would significantly restrict their access to local services, and cause severe detriment for many vulnerable and disadvantaged consumers.

⁶² How was it for you? Consumer engagement in the post office closure programme, Consumer Focus, February 2010

Although in many communities campaigning did not secure the retention of post office services, and post offices were still closed, the local alliances that had been formed during the Closure Programme remained strong. In a number of communities, the campaigns against closures led the way for scoping to explore community-based solutions that could, at least to some extent, mitigate the impacts of the Closure Programme in their community.

The experience here shows that the imminent loss of services is a major catalyst for local community groups to organise and take action. This supports the findings of Consumer Focus research which has consistently shown that local people are much more likely to engage in local service provision at the point in which a local service is threatened.

Devon however, is not the only area to have seen the local community and local groups come together to introduce or replace local services that have been lost.

In 2010, Consumer Focus launched a website inventory of 140 community run post offices and shops that are operating across the country in rural and urban locations. These have been set up by local communities and social enterprises, with some even operating out of universities⁶³. There is significant scope for lessons of community retail and post office provision to be applied to the wider promotion of civic and voluntary activities more widely.

It is also the case that the organised, area-planned approach to the Closure Programme was important in allowing community groups to prepare and organise mitigating strategies, in anticipation of the changes to service provision they might face.

Course of action

Following the closure of the local post office and the resulting closure of the village shop, some communities held public meetings to discuss ways in which they could help to restore some of the lost services. For some communities that had lost their post office, but where the sole remaining village shop was still operating, they recognised that they had to intervene to ensure the long term viability of the last retail premises in their village.

Action groups or committees were set up following the public meetings, and with a small group of selected members of the community forming these groups and committees, they looked at the development and introduction of a community shop in the village.

Some of the community shops that opened following the closure of the post office and village shop have now also begun to operate post office services.

Following the closure of the post office in St Giles on the Heath, the village shop could not survive, so the village set up a Coronation Hall Committee (led by a local councillor), to introduce a community shop in a portacabin in the village hall grounds. The new community shop has provided an alternative business from which a Partner Outreach service could be operated, and this has been set up with funding from Devon County Council.

⁶³ <http://bit.ly/nhryVJ>

In February 2011, a full Partner service also became available from the community shop introduced in Ashwater.

Some of the community shops that opened following the closure of the post office have also begun to operate some basic post office products and services to their customers, such as offering cash-back, and stamps. Some community shops provide a 'Post Point' from the community shop, offering customers a majority of the mail products, independently of a Post Office contract. For example, at Offwell, the Community Shop has paid Royal Mail to provide a collection point, which means that their members can send letters locally, rather than travel to use other post offices.



What lessons can we learn from community-led responses to closures?

Many of the communities have come up against the same issues and challenges as part of this process, from ensuring that there is the appropriate funding in place to set up and maintain the shop, through to ensuring that there are enough volunteers to run the shop.

Funding

Funding is vital to initially get a community shop started, and to keep it running in the long term. In some cases, funding is needed to establish premises from which a community shop can be run, such as a portacabin. Funding is also needed for new retail stock, and in many cases, to employ a shop manager who can oversee the running of the shop full time.

The communities involved have been able to establish funding through a number of sources. For example, in Stokeinteignhead, the community run village shop was established through £37,500 of funding, which was raised through:

- a grant from the National Lottery Awards for All Scheme, which supports small, community-based projects
- a loan from Cooperative Community Finance, which supports cooperatives and social enterprises
- funding from the Plunkett Foundation, a national organisation which supports community owned village shops across the UK
- Devon County Council

Many action groups and committees have also sought funding from their own communities, and have introduced schemes whereby residents in the village have been able to purchase shares in the community shop. In Stokeinteignhead, £7,000 was raised through a local residents' share-scheme whereby every resident over the age of 18 could purchase a £5 share in the community shop. As a shareholder, they are entitled to attend Annual General Meetings and vote on relevant issues.



Where share schemes have not been introduced, local residents have helped to raise funding themselves, through donating money or fund raising activities. In Plymtree for example, where the post office closed, threatening the survival of the only shop in the village, residents raised over £20,000 in donations in just seven months to introduce a community shop to replace the village shop.



Premises and location

It may not always be the case that the previous village shop that was closed is available to host the community shop, and some communities have had to focus their efforts on securing alternative and suitable premises. For some communities this has meant finding a suitable site to erect a portacabin, or a free-standing modular building to host the community shop. When finding a suitable site, it has been important for the action group or committee to look at access, so that members of the community can easily get to the new shop, and also locations which may boost and promote use of the shop. In Ashwater, for example, a modular building has been erected to house the community shop on a site chosen alongside the new Parish Hall. This site is accessible with car parking, and which will complement hall activities and vice-versa.

Finding a suitable site however has been difficult for some communities, as they have needed to go through the planning process, which can sometimes be a very long and drawn out process.

Timings

The availability of suitable premises from which the community shop can be hosted, has a large impact on the time taken to set up the service.

In the cases where the community has been able to secure the premises from which the previous shop and/or post office was located, for example, in Bishop's Nympton and Stokeinteignhead, the community shop has been set up within six to twelve months. In both of these cases, the community has been able to negotiate with the landlord of the premises to provide a community shop from that premises.

In cases where the community must find alternative premises, as was the case in both Plymtree and Payhembury, these communities were able to set up a community shop in between four and seven months.

If there are no suitable commercial premises in the village available to rent, the community must look to establish a temporary building, such as a portacabin, or a free-standing modular building, such as that used in Ashwater, which took over 12 months to set up.

The Government is currently consulting on the 'Community Right to Buy' Scheme, which proposes that community organisations have a six-month window in which they can develop a plan to purchase assets of community value. The experiences of the communities that have set up and are running their own shops and post offices will be invaluable, when the Government starts looking to set out the specifics of the 'Community Right to Buy' Scheme.

Staffing and volunteers

The majority of the community shops are run with the help of volunteers, with some also overseen by a part-time or full-time paid manager, who co-ordinates the shop volunteers and assists with the day to day running of the shop. In Stokeinteignhead, for example, the community shop is staffed by 32 volunteers, each working a shift of two or three hours, once or twice a week, under the guidance of the only paid employee, the shop manager.

Guidance and support

The Plunkett Foundation provides these communities with invaluable support. The Plunkett Foundation has a dedicated community retail team, together with eight core retail advisers, and access to over 50 specialist consultants. They are also increasingly working with 'mentors' or individuals from community shops, to help others by sharing their knowledge and expertise. Their support ranges from:

- advising over the phone
- face to face community development
- advise on legal structures, community shares, business planning, HR, governance issues
- specialist retail support, marketing, and help with merchandising and layout

Produce

The range of produce on offer has largely been determined based on feedback from the community, and finding out what the community needs.

Many community shops sell local produce as this helps to support local businesses and farmers in the area, as well as drawing in new and sustained custom.

For example, the community shop in Plymtree provides a range of meats, vegetables, dairy goods and breads from local farms and growers, and a variety of other products are sourced directly from suppliers across the South West, which are not available at local supermarkets.

Outcomes

Each action group or committee has put considerable time and effort into getting a community shop up and running, and this would not have been possible without the community support and generosity, and the different funding streams on offer to them.

For some, it has been a painstaking process, from getting the funding together, to finding a suitable site and obtaining planning permission, through to getting the shop up and running, and then getting a Partner service introduced. However, it has been worth the effort, and many of the community shops are operating successfully, and residents talk about having regained a focal point in the village.

In Stokeinteignhead, since the community shop opened in 2009, it has hit its financial targets and is currently trading 25 per cent above last year. The shop has just won this year's Prince of Wales Award, given each year by the Devon County Agricultural Association (DCAA), for the initiative and commitment shown by local people for the benefit of the community.

The community shop in Plymtree has only been open for two years but it is already making a profit, with £7,000 cleared last year. As a result, it has been able to give money back to the village, which has been used to support other community projects.

The aim in Ashwater is to ensure sufficient return on sales to become fully self-funding within 12 months of the shop opening.

It is very encouraging to see that some of these community shops are already beginning to operate in profit, and that in other areas, there are high hopes for the success of the shop. However, it will be important that the communities they serve continue to fully support them to ensure their long term viability, and we believe that there are some clear, best practice solutions which can be followed.

Best Practice

Shop manager – A shop manager is very effective in providing the day-to-day running of the shop, ensuring that there are the appropriate number of volunteers needed to run the shop each day, and ensuring that stock is ordered and replenished.

Community owned – Where local communities have been offered shares in the community shop it has created much greater engagement between the community and the shop, with residents having the opportunity to participate and vote on key decisions. Any financial profit that has been made by the shop has also then been reinvested in the social enterprise, or made available to other community projects, benefiting the wider community.

Seeking regular feedback – It is critical that community shops provide the goods and services that meet the communities' needs, and seeking regular feedback will ensure that customers needs and wants can regularly be reflected. This will help to sustain custom, and ensure that the service is financially self-sustaining in the long term.

Raising local awareness – Involving the whole community wherever possible is vital to gaining the support of the community in the shop.

Networking – Many communities feel that they have benefited from the ongoing opportunity to share and discuss ideas and best practice with other community action groups, and individuals responsible for the management and development of the community shop.

Ongoing support – Communities should also look to obtain ongoing support from the organisations that are dedicated to providing advice and funding to local and community-based projects, such as:

- Action with Communities in Rural England (ACRE) is the national umbrella body of the Rural Community Action Network (RCAN). There are currently 37 RCAN members which are charitable local development agencies, generally based at county level, which support and enable initiatives in rural communities
- The Plunkett Foundation works with a range of organisations to develop support programmes for rural co-operative and social enterprises through their development
- The Rural Shops Alliance
- Community Transport Association (CTA) is a rapidly growing national charity giving voice and providing leadership, learning and enterprise support to a wide range of organisations delivering innovative and flexible transport solutions to achieve social change in their communities

Conclusions

The Closure Programme was necessary to return the Post Office network to financial health, and a strategic programme of post office closures was a proficient way of undertaking this. Many communities and individuals have been able to cope and adapt to post office closures in their areas.

However, in many locations the post office closing has had a detrimental impact on specific consumer groups, in particular older and more vulnerable members of the community, and those that have limited access to alternative post office services. These groups of consumers are much less likely to have access to private transport and are reliant on public transport, which can be extremely limited in certain areas of rural and deep rural Devon. These consumers also rely heavily on post office services and some must now rely on neighbours and members of the community to help them to access key services, such as pensions and benefits. The closures have also incurred significant costs to local SMEs, both direct and indirect, and come during a period of recession.

The structured and strategic programme has helped to mitigate the impacts of the Closure Programme. The detailed area-based consultations helped to provide a clear picture of the planned changes to post office provision across the UK. This encouraged stakeholder engagement, and provided stakeholders and communities with the momentum and desire to act collectively to engage in the Closure Programme. As a result, some communities were able to introduce solutions to mitigate the impacts of the Closure Programme.

The programme also gave Devon County Council the framework, and the space to develop its own rescue plan, for the communities in Devon which they felt would be most heavily affected by the Closure Programme. An ad hoc programme of post office closures may not have allowed for this. Thorough consideration should be given by POL towards the introduction of a strategic programme for the up and coming changes to the Post Office network, with the introduction of Post Office Locals and Post Office Mains.

The economic situation is very different from the time in which the Closure Programme occurred, and we have experienced the largest recession in decades, coupled with increases in the price of petrol and other living costs. We are now also seeing cuts to local authority budgets, following the CSR, leading to cuts and reductions to other essential services, including bus routes. So, where individuals and communities have so far been able to cope with the impacts of losing the post office, they may not as easily be able to do so in the future. The affects of the Closure Programme are not only felt when post office closures took place.

Annex 1

Partner services under the Devon County Council initiative

The following list of 16 Partner Outreach services received support from Devon County Council.

Within the majority of these locations, POL announced that the post office in the village shop would be replaced with a Mobile Outreach under the Closure Programme. However, following Devon County Council's intervention in the Closure Programme, POL introduced Partner Outreach services instead. In one case the Partner service was located in a local business. In some locations, the Partner service has since changed due to a business as usual change (BAU) or closure.

Ashwater

The Partner Outreach service established in the village shop under the Closure Programme closed under a BAU as the lease of the shop expired, and the shop owners decided to retire. However, a community shop was established on 26 November 2010 to replace the village shop, and a Partner Outreach has subsequently been established in the community shop (from 31 March 2011).

Bishop's Nympton

The Partner Outreach service was established in the community-run shop, which had been set up by the community in June 2009. This has subsequently moved to a new purpose-built shop in the village hall.

Blackawton

The Partner Outreach service was established in the village shop in which the old post office was located.

Bridestowe

The Partner Outreach service was established in the village shop in which the old post office was located.

Bridgerule

The Partner Outreach service was established in the village shop in which the old post office was located.

Cheriton Fitzpaine

The Partner Outreach service was established in the village shop in which the old post office was located. This service however, has subsequently changed to a Post Office Local outlet under a BAU change, which is run by the same operator.

Chillaton

The Partner Outreach service was established in the village shop in which the old post office was located.

Dittisham

The Partner Outreach service was established in the village shop in which the old post office was located.

Kennerleigh

The Partner Outreach service was established in the village shop in which the old post office was located.

Lustleigh

The Partner Outreach service was established in the village shop in which the old post office was located. The village shop was later purchased however, by the community, following the resignation of the shop owner.

Milton Abbot

The Partner Outreach service was established in the village shop in which the old post office was located.

Newton St Cyres

The Partner Outreach service was established in the village shop in which the old post office was located.

Plymtree

The Partner Outreach service was incorporated in a Community Shop, which was established in June 2009. This is located in a retail unit within the village. The Partner service however, has subsequently changed under a BAU to a Hosted service following further consultation with local residents. The Hosted service operates for a total of eight hours per week, over three sessions.

Postbridge

The Partner Outreach service was established in the village shop in which the old post office was located.

St Giles on the Heath

The Partner Outreach service was established in a portacabin on the site of the village hall as the premises from which the village shop and old post office was located, was no longer available.

Widcombe in the Moor

The Partner Outreach service was established in a local business, which has subsequently added a shop within its premises, to ensure that the community retains access to essential services.

Annex 2

Outreach services

There are four types of Outreach service. In each model, services are delivered by a 'core' sub-postmaster, usually based in a nearby commercial branch:

Home service

Consumers in a small community with low demand order products directly from the nearby 'core' post office (by phone or internet.) These products are delivered either directly to consumer's homes or to an agreed meeting point.

Hosted service

The 'core' sub-postmaster visits premises to provide the full range of post office services in a 'host' site, for example a shop, church, village, hall or petrol station.

Partner service

In this model, the 'core' post office works with a third party to provide post office services from their premises, typically a village store.

Mobile service

The 'core' post office service delivers post office services to a number of communities by mobile van.

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