

SUBMISSION OF EVIDENCE

Business and Enterprise Parliamentary Committee
House of Commons
London SW1A 0AA

The Post Office 'Network Change Programme'

1. Submission: This submission is being made by Jesse Norman, Co-Ordinator of the Save Our Post Offices Campaign for Herefordshire. It reflects almost a year of consultation, research and discussion with local residents, user groups, sub-postmasters and –mistresses, local government officials, parish councils and other interested bodies into the scandal of Post Office closures.
2. Campaign: The Campaign is a county-wide effort to prevent the closure of Post Offices in Herefordshire. There are over 60 Post Offices in the County, and we estimate that as many 22 could close under, or as an indirect result of, the Government's closure programme. If this occurs it will hugely undermine the quality of life of both in village communities and in Hereford City and the market towns.
3. Community Resource: Underlying the closures programme is a new and fundamentally flawed conception within this Government of the value of a small Post Office. Of course, Post Offices operate in a commercial environment and there will generally be some closures in the ordinary course of business. But a local Post Office is also almost always a crucial community resource. It provides cash, access to benefits and other services locally that are hard to obtain for many disadvantaged groups. It serves small business. It often supports a small shop where none could exist commercially. And it is also the first line of community defence for many elderly, disabled and disadvantaged people. We know that a particular problem among the elderly is simple loneliness, and Post Office is an important place to meet others and socialize.
4. Principle Discarded: Government policy has historically recognized Post offices' community role, and it is this that has justified the subsidy to PO Counters. Now, in the face of commercial pressures on the Post Office as a whole, the present Government has been panicked into the new closures programme, discarding a long-held and historically bipartisan principle of community support.
5. Funding: The commercial cost of maintaining a strong network is in fact a manageable one. The government's subsidy to Post

Offices of £150 million p.a. is just 0.02 per cent of the £627 billion in public spending in 2007 overall. In contrast, the Public Accounts Committee found in May 2007 that over £1.9 billion had been wasted—equivalent by itself to over 12 years of government subsidy.

6. **Lack of Credibility:** The credibility of the closures programme has been further weakened by a host of factors. The Government has been resolutely unwilling to take responsibility for it, and has put the Post Office in the firing line instead. The Post Office has run the closures on a rolling schedule rather than implementing them at one time, apparently in order to minimize the political reaction. There has been a scandalous lack of transparency in the Post Office's dealings with sub-postmasters and the public. There has been a well-documented attempt to intimidate sub-postmasters and –mistresses into following the Post Office's party line through anonymous informants and the threat of withdrawal of future compensation.
7. **Political Motivation:** There is also a good deal of reported public concern at possible political motivation behind the closures, through targeting them in predominantly rural areas where there are relatively few Labour constituencies. This concern has been magnified by press reports (e.g. in *The Guardian*, 26 October 2006, *Daily Mail*, 21 December 2006) that the Government has used so-called heat maps to target hospital and education closures in non-Labour areas to minimize electoral damage. It would be helpful if the Committee could analyse the closures so far to assess whether this political targeting is in fact taking place.
8. **Paper Consultation Exercise:** However, the key point is that the programme itself is also fundamentally flawed. In particular, the Government's decision to base it exclusively on geographic access criteria now looks little short of disastrous. In the first place, it makes a mockery of the consultation exercise: for if geographic criteria are being used, then which Post Offices meet the criteria can be determined now, in a largely mechanical way; and if that is so, then the Government already in effect knows which Post Offices will close, and so the consultation becomes a dead letter, a purely paper exercise.
9. **Poor Criteria:** In addition, however, the decision to use geographic access criteria relegates to the background several factors that are of arguably much greater importance. It relegates how successful the Post Office is, how many customers it has and its commercial effectiveness. And worse of all, it entirely ignores any assessment of local needs. The result of this is that thoroughly effective Post Offices and Post Offices in areas of great deprivation will be closed simply

because of a dumb bureaucratic rule: that they do not meet the access criteria.

10. NCC Report: A report in September 2007 by the National Consumer Council suggests how the closures programme will be undermined the failure to assess needs local needs. It found on a robust statistical analysis that the withdrawal of Post Offices is regressive, affecting worst those who can least deal with the loss of service. Post Offices were especially important in more disadvantaged areas, affecting in particular the elderly, the disabled, single mothers with children, carers and those with limited access to cars or public transportation.
11. Bad for Environment: The other clear effect of Post Office closures is to damage the environment. Inevitably, many users will not have access to public transport, or will not feel safe in using it. They will be forced by the programme to use cars instead, increasing pollution and traffic at precisely the time when we as a nation should be seeking to minimize them.
12. Effect on Herefordshire: We in Herefordshire are bracing ourselves for the worst. There has already been a spate of local informal closures, in Colwall, Bartestree and on the Brampton Road in Hereford. These have come in advance of the Government's closures programme, largely as a result of the removal of the requirement on the Post Office to prevent avoidable closures. We now face the loss of as many as 22 Post Offices, while the number of our over-85 year olds is projected to rise by 75 per cent by 2020. The damage to village life and to our urban communities will be enormous.

AJN