

## **Impact of Bank Closures**

### **Blackford Community Council**

#### **Introduction**

This submission is intended to give evidence to support the argument that the level of service provided by the Post Office is declining to such an extent that it is unlikely to be able to offer the access to banking services required for rural communities. We believe that the decline in Post Office and banking services in rural areas threatens the sustainability of the rural economy, and in particular of small villages like Blackford. As access to services becomes increasingly difficult, living in small villages will become unsustainable for many people, including small business owners, the self-employed, people who work from home and others who cannot travel regularly to access services.

Therefore this submission primarily relates to themes 15 and 16 of the Inquiry's Call for Views.

Blackford Community Council currently has 7 members, representing a community which can now be estimated at nearly 1000 people following the completion of 40 new homes in 2017. With many challenging issues to address on behalf of the community, we are working at the limits of our capacity to research information required. This means that, for the purposes of this submission, we have drawn on work prepared previously and have concentrated on ongoing concerns at loss of full time Post Office services. We cannot address theme 17, except to say that the closure of bank branches may serve to draw attention to the need to address the problems we have identified in terms of the decline in levels of service provided by the Post Office.

I would be willing to present further detailed evidence, either orally or in writing, relating to the circumstances in which Blackford Village Store lost the opportunity to provide the Post Office service full time, and what we learned about how Post Office Ltd managed the situation. This would give background and expand on the minutes of the Community Council meeting attended by representatives of Post Office Ltd on 30th Aug 2016 which I chaired.

It is my view that, in late 2015 when the village lost its full time Post Office, the community was misled. Claims were made which did not fit with the reality of the situation on the ground. The commitment to maintaining Post Office services to rural communities is not what it seems. Cuts in hours of service are introduced in a way which is likely to undermine the ability of the Post Office to compete.

#### **Background**

In 2016, the Community Council asked me, as the then Chair, to meet with other residents of Blackford who were concerned about the loss of Post Office services. We established a working group which researched the situation, contacted elected representatives, and produced a report for the Community Council.

Representatives of Post Office Ltd attended a meeting of Blackford Community Council on 30th August 2016. The relevant extract from the minutes of this meeting is below. (The paper referred to is attached: "Final discussion points for BCC")

Presentation to Post Office Ltd Representatives by Richard Beith, on behalf of the Post Office Working Group. (See attached.)

There then followed a discussion and question time but the Post Office Ltd representatives were unable to give satisfactory answers to the questions from the CC and the public. It was also clear from the ensuing discussion that the process to apply to take on a Post Office is not transparent.

It was claimed by the representatives of Post Office Ltd that the current owner of the Village Store had not submitted an appropriate application to run post office services in the store. The current owner, who had been in communication with Douglas Heed and offered variations in the possible opening hours, verified by IM who had been present when one such phone conversation took place, was never advised that he was not following Post Office procedure.

### **The importance of rural postal services**

(This section has been prepared by the Blackford PO Working Group for submission to the Inquiry)

The piecemeal withdrawal of rural banking services throughout Scotland is a national scandal. As an exemplar we concentrate on the actions of RBS who proposed closing 62 branches in Scotland.

We note the following newspaper headlines:

The Herald, 23.12.2017, *RBS closures are a betrayal of rural Scotland's economy*

Following a reluctant decision by RBS in February 2018 to halt closure of a modest 10 branches until the end of the year when further consideration would be given, we note:

The Herald, 27.01.2018, *A stay of execution is welcome but RBS must listen*

In February, following the bank's announcement of an annual profit of £752 million for 2017, the first annual profit in 10 years, it was no surprise that The Herald for 24.02.2018 proclaimed:

*RBS told to scrap branch closures after bank's first profit in a decade*

Rural banking customers are used to local bank branches, whatever the name over the door. They enjoy face to face contact. If they are business owners then they can pay in cash and cheques with minimum fuss.

*If there is no bank you can always use the Post Office* seems to be a regular item of advice from the banks. A leaflet shows some of the advice given to RBS Dunblane customers when the closure of that branch was announced in November 2017. \*1

This leads to Blackford Community Council's most serious plea: You can't say bank closures are acceptable when there is an equivalent decline in the number of local Post Offices. Blackford has not had a fixed Post Office since the autumn of 2015. Today we rely on three two-hour visits a week by a Mobile Post Office based at Kippen.

\*1 [https://personal.rbs.co.uk/content/dam/rbs\\_co\\_uk/Waystobank/documents/branch-closure-factsheet-Q417/Dunblane-Branch%20Closure%20Factsheet.pdf](https://personal.rbs.co.uk/content/dam/rbs_co_uk/Waystobank/documents/branch-closure-factsheet-Q417/Dunblane-Branch%20Closure%20Factsheet.pdf)

### Further information

We also attach a statement prepared by our Post Office Working Group which was sent to our elected representatives in 2016, "BCC statement for MPs, MSPs", which states our concerns about loss of Post Office services. This led to a request for a debate being made in Parliament. \*2

For background information on our postal services there is a further attachment: "Lost PO.pdf." This is a revised and updated history of Blackford Post Office published in the quarterly journal of the *Scottish Postal History Society*. It is useful in giving a breakdown of the various service options provided by POL.

\*2. <https://www.theyworkforyou.com/debates/?id=2016-12-08b.371.0#g381.3>

### Blackford's lost Post Office

1. Whilst Blackford Community Council (Hereafter BCC) acknowledges the weekly visit from the Kippen Mobile Post Office (MPO), which will be upgraded to three visits a week from September, BCC remains committed to the reopening of a fixed postal facility in the village available six days a week.

2. BCC is happy to acknowledge the efficient and courteous conduct of the MPO staff.

3. Post Office Ltd (POL) has published a detailed Code Of Practice which defines 'Minimum Access Criteria' to include:

- '99% of the UK population to be within three miles and 90% to be within one mile of their nearest Post Office branch'&
- '95% of the total rural population across the UK to be within three miles of their nearest Post Office Branch.'

Since the nearest Post Office is five miles away in Auchterarder, the population of Blackford are currently part of the unserved 1% and 5% using the above criteria. In this circumstance it behoves POL to explore every available avenue to provide a

fixed postal facility in the village, particularly when the village is undergoing significant expansion.

4. BCC realises that there are only a limited number of commercial enterprises in the village which could host a postal facility.

Apparently, POL were unable to agree 'Partner Service' terms with the new owner of the village store in November 2015. It is regrettable that POL were inflexible in their attitude and uninterested in negotiating a reduced number of hours per day

Q 1:What attempts have POL made to reopen discussions with the village store on a more flexible arrangement? What was wrong with a flexible approach?

Q 2:What attempts have POL made to discuss the provision of a fixed postal service with the other commercial businesses in the village?

5. Current operation of the MPO: Our current weekly visit on a Wednesday is timed from 16.00 to 17.15. Since the MPO is based at Kippen mail accepted from Blackford does not enter the main mail stream at Kippen until the following day. This means that First Class mail which is too large to fit in the existing pillar box and expensive priority services such as 'Signed For' and 'Special Delivery' are not delivered until the Friday of that week. (See copies confirming such problems)

Q 3: The three MPO visits a week promised from September are all morning calls. Will bulky First Class mail and priority mail now be delivered on the following day?

Q 4: The Local Public Consultation paper shows future MPO visits as Monday, Tuesday and Thursday. BCC would prefer Monday, Wednesday and Friday visits. Can this be arranged?

6. Dealing with POL: Residents of Blackford trying to make their views known about the lack of adequate postal services have faced a system of anonymous officials hiding behind an e-mail address, a customer helpline or a Freepost address. Comments made via the customer helpline were not answered by post.

Q 5:Why is it not possible to have at least one office, located in Scotland, with a known real postal address and a known manager to act as point of contact?

**Blackford Community Council**

## Blackford's Lost Post Office?

### The current decline in rural postal services in Scotland

#### Richard Beith FRPSL

**Preamble:** Blackford, in the south of Perth and Kinross, has always been a working village and had been the site of tanneries, a boot factory and, thanks to the quality of the local water, several breweries. Today the local water is still the basis of village employment: the Highland Spring bottling plant and the Tullibardine single malt distillery. [1]When my wife and I moved to Blackford in 2007; one of the plus factors was that it had a functioning Sub-Post Office. As recounted below, after two months without postal facilities at the end of 2015, the village was provided with a once weekly 75 minute call from the Kippen Mobile Post Office (MPO) from January 2016. Commencing 5 September 2016 the frequency rose to three calls a week. When the MPO is here, the service is excellent. However, the village Community Council would still like to see a fixed postal facility operating six days a week.

The reasons for the decline in postal services are well known, e-mails give instant communication, the growth of internet shopping and the resultant appearance of rival parcel delivery services. In addition the privatisation of the Royal Mail Group has resulted in a downgrading of the traditional commitment to a universal postal service throughout the United Kingdom. This paper looks at the history of Blackford Post Office, considers the emergence of Post Office Ltd as a separate entity outside the RoyalMail Group and notes the options offered under the 'Outreach Services' concept including a discussion of the current use of Mobile Post Offices in Scotland.

**Blackford Post Office:** The Post Office in the village of Blackford was opened on 7 January 1845, mails to be routed through Auchterarder as Post Town. It must be a strong possibility that this event was linked to the planned construction of the Scottish Central Railway (SCR) from Greenhill Junction on the Edinburgh and Glasgow Railway via Larbert, Stirling and Dunblane to Perth. Blackford Station indeed opened in 1848 and was closed on 11 June 1956. [2]

Ken Smith recorded the above Post Office opening date on his website together with the following Blackford information: [3]

- 1865 - Blackford designated a Railway Sub-Office, (RSO), able to exchange mail directly with railway Travelling Post Offices
- 1866 - Post Office number '381' allocated
- 1874 - Designated a Money Order - Savings Bank office
- 1898 - Designated a Telegraph Office, code QVD
- 1905 - Designated Sub-Office of the Post Town (The 1905 Post Town not stated, as not used in village postal address; Post Town usually Crieff at this time)
- 1973 - Auchterarder becomes Post Town on 1 June
- 2009 - Sub-Office status downgraded to a 'Partner Outreach' service on 26 January
- 2015 - 'Partner Outreach' service withdrawn on 31 October on change of ownership of village store, the former Sub-Post Office
- 2016 - Weekly visit of Mobile Post Office from Kippen initiated on Wednesday 6 January from 16.00 to 17.15.

From 5 September 2016 a second MPO was provided for the Kippen sub-office enabling three calls to be made a week to Blackford on Mondays, Tuesdays and Thursdays. See the 'Local Public Consultation' leaflet. [4]

**The emergence of Post Office Ltd (POL) as a separate entity outside the Royal Mail Group:** A four page Post Office pamphlet, Network Change Programme, was issued circa 2008 and made available in Blackford just before the Sub-Post Office was downgraded. It analysed the problems of the Post Office network which was losing 'in excess of £3m a week before Government support'. [5] As a consequence of the Postal Services Act 2011, Post Office Ltd., the former Post Office Counters Ltd., became independent of Royal Mail Group on 1 April 2012.

That is, POL is still a state-owned limited company, part of the British Government's Department for Business, Innovation and Skills, through Postal Services Holding Company Ltd. [6] POL have published a detailed Code of Practice regarding changes to the postal network. Appendix 2 lists the Government's 'Minimum access criteria'; to include:

99% of the UK population to be within three miles and 90% to be within one mile of their nearest Post Office branch and  
5% of the total rural population across the UK to be within three miles of their nearest Post Office branch [7]

When the Blackford Outreach Service was closed at the end of October 2015, the Post Office notice in the window of the village store referred customers to Auchterarder (PH3 1BJ) and Muthill (PH5 3AN) Post Offices which were approximately four and a half and over nine miles from the Blackford village store. There is no public transport from Blackford to Muthill.

**The 'Outreach Services' of POL:** The *Network Change Programme* referred to above quotes four kinds of Outreach Services:

a) Hosted Service – 'The Hosted Service provides customers with access to a range of Post Office products and services at a fixed site during specified hours on fixed days. The Core Subpostmaster will provide the Hosted Service from the premises of a local business or a community building such as a shop, café, church, garage or village hall'. According to the Post Office Press Office, there were 119 Hosted Outreach Services operating in Scotland in June 2016. [8]

b) Partner Service – 'The Partner Service provides Post Office products and services to customers at a fixed site through a third party retailer. ... The Core Subpostmaster pays the Partner for operating the Partner Service from a fixed counter position within the Partner's premises. The Partner Service will be available to customers during the same hours as the normal opening hours of the Partner's retail business'. This was the system used in the village store from 2009 to 2015. It would seem from the experience of the current owner of the village store that POL are apparently uninterested in negotiating a reduced number of hours per day for the provision of postal services.

c) Home Service – 'The Home Service enables customers to order Post Office products and/or services and have these delivered to their homes ... or to be collected by the customer at a Drop-in-Session held at a fixed time and location. The

Home Service is likely to be most suited to ... small communities of 50 people or less'.

d) Mobile Service – 'The Mobile Service is a travelling Post Office situated within a mobile vehicle and brings Post Office and retail products and services to communities without relying on fixed premises. ... The vehicle has an access lift so that disabled customers can also access the vehicle'.

As of 3 June 2016, eight Mobile Post Offices were operational in Scotland based at:

Coldstream, Borders (serving four locations)	Denholm, Borders (serving seven locations)
Cowdenbeath, Fife (serving seven locations)	Kippen, Stirling (serving seven locations)
Dalbeattie, Dumfries (serving six locations)	Turriff, Aberdeenshire (serving four locations)
Dalrymple, Ayrshire (serving five locations)	Wick, Caithness (serving eight locations)

The KippenMPO, serving Blackford, also covered Braco, Buchlyvie, Croftamie, Fintry, Gargunnoch and Thornhill. [9] See Table 1 below indicating the timetable offered in July 2016.

#### Kippen MPO timetable in July 2016

Monday:	09.00 - 11.00	Buchlyvie
	11.30 - 13.00	Gargunnoch
	14.00 - 16.00	Thornhill
Tuesday:	09.00 - 10.00	Gargunnoch
	10.30 - 11.30	Thornhill
	12.00 - 13.00	Buchlyvie
	13.30 - 14.30	Fintry
Wednesday:	15.15 - 17.15	Braco
	09.00 - 10.00	Thornhill
	11.30 - 13.00	Buchlyvie
	13.30 - 15.30	Gargunnoch
Thursday	16.00 - 17.15	<b>Blackford</b>
	09.00 - 11.00	Buchlyvie
	11.30 - 13.30	Gargunnoch
	14.00 - 16.00	Thornhill
Friday:	16.30 - 17.30	Fintry
	08.30 - 09.30	Fintry
	10.00 - 12.00	Gargunnoch
	12.30 - 14.30	Thornhill
	15.00 - 16.30	Buchlyvie
	16.45 - 17.15	Croftamie

Table 1

With Kippen acquiring a second MPO at the end of August 2016, Blackford is currently served three times a week to the timetable shown as Table 2.

#### Interim timetable for Kippen MPO No. 2 from 5 September 2016

Monday:	09.00 - 11.00	Braco
	11.30 - 13.30	<b>Blackford</b>
	14.30 - 16.00	Clackmannan FK10 4JA
Tuesday:	09.30 - 10.30	Braco
	11.00 - 13.00	<b>Blackford</b>
	14.00 - 16.00	Clackmannan FK10 4JA
Wednesday:	10.00 - 11.00	Carnock
	11.30 - 12.30	Clackmannan FK10 4EX

	12.45 - 13.45	Clackmannan FK10 4JA
	16.15 - 17.15	Croftamie
Thursday	09.00 - 11.00	<b>Blackford</b>
	11.30 - 13.30	Braco
	14.00 - 16.30	Clackmannan FK10 4JA
Friday:	no service reserved for extension to additional villages	
Table 2		

An additional service based at Kennoway, Fife, was scheduled to open in March 2018. This would serve locations in Fife Monday- Wednesday and in Perth & Kinross on Thursday and Friday including two visits to Dunkeld. [10]

MPOs provide a broad range of useful services including cash withdrawal with an appropriate card, purchase of postage stamps, issuance of Certificates of Posting, handling of 'Signed For' and 'Special Delivery' material and parcels including International Parcelforce Worldwide.

According to the Post Office website, MPOs visit over 250 locations a week in rural locations across the UK, so Scottish usage equals about 20% of the UK total. [11] By autumn 2017, there were 61 MPOs operational in the United Kingdom. [12]

### References:

- [1] David Strachan (ed), *A History of Blackford*, (Perth, Perth and Kinross Heritage Trust [In association with Blackford Historical Society], 2010).
- [2] Peter F. Marshall, *The Scottish Central Railway, Perth to Stirling*, (Usk, The Oakwood Press, 1998).
- [3] Ken Smith, <https://sites.google.com/site/ukpostofficesbycounty> [downloaded 7 June 2016].
- [4] Post Office Ltd, *Changes to Kippen Mobile service - Local Public Consultation*, 13 July 2016.
- [5] *Network Change Programme*, Post Office Ltd, nd, c. 2008, 4pp.
- [6] *Post Office Ltd*, Wikipedia [downloaded 13 June 2016].
- [7] *Code of Practice on Public Consultation and Communication with respect to change in the Post Office network*, POL, May 2014, <http://corporate.postoffice.co.uk/modernising-post-office> [downloaded 1 February 2016]
- [8] communication from Michael Norman, 3 June 2016.
- [9] Michael Norman, *op. cit.*
- [10] Christopher Hogan (ed.), *Post Horn*, Post Office Vehicle Club, March 2018.
- [11] <http://corporate.postoffice.co.uk/modernising-post-office> [downloaded 1 February 2016].
- [12] Hogan, *op. cit.*

### Acknowledgements:

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### This version:

A slightly enlarged version of this paper, with illustrations, was published in the Winter 2017 issue of *The Scottish Post*, the quarterly journal of the Scottish Postal History Society. More recent data has been added.



## **Blackford's need for a fixed postal service, six days a week Background**

From 2009 until the end of October 2015, Blackford's postal needs had been served by a Partner Outreach service located in the village store. With a change of ownership of the store the Outreach service was withdrawn – there was no postal service for the next two months (other than normal deliveries and collections provided by Royal Mail). From 6 January 2016 the Kippen Mobile Post Office called for 75 minutes every Wednesday. From 5 September three two hourly visits were provided each week by Kippen's new Mobile Post Office No. 2. During this period BCC contacted their Councillors, MSPs and their MP to alert them to the situation.

## **Establishment of a Working Group**

At their May meeting, members of the Blackford Community Council (BCC) asked the Chair to meet with a small group of residents to discuss how to take forward the concerns of the community. Councillor Ann Gaunt (Perth & Kinross Council), Reverend Ian Paton, Richard Beith and BCC Chair Janet Law met in June 2016 as a short-life Working Group to express our concerns about the decline in service provided by Post Office Ltd (POL) and to find out if some other communities in Scotland have similar concerns.

## **Meeting with representatives from POL**

At its June meeting BCC agreed to invite representatives of POL to attend the August BCC meeting. Shortly after this invitation was accepted, POL opened a six-week consultation period about increasing the number of weekly visits from September. This was implemented as noted in the first paragraph. At the August BCC meeting Richard Beith presented a set of agreed questions to the POL representatives. Only a limited amount of new information was gained.

## **Concerns for our MP and the Scottish Government to consider**

BCC are concerned that current policies governing Post Office services are not working and that smaller, disadvantaged rural communities throughout Scotland are being seriously affected by this decline in service. The recent increase to the hours provided by the Kippen Mobile Post Office are welcome, but they still fall far short of the level of service provided at the village store up to October 2015.

Blackford is more than 3 miles from the nearest fixed Post Office, so it is up to POL to negotiate a suitable provision. BCC remains committed to a village postal service at a permanent location open to the public six days a week. POL is still a business owned by the government on behalf of the public. If this is to continue POL must have a better understanding of how to provide such a service and to meet the related targets concerning the percentages of population having access to a local Post Office.

**Concerns which could easily affect the future viability of POL are becoming clear**

1. Recent developments suggest that PO services are closing in a wide range of communities. This is happening in spite of POL's agreed targets to provide a Post Office service to 95% of rural populations, 99% in urban areas.
2. Providing services from a van may allow POL to apparently fulfil its obligations in rural areas but is unsatisfactory. If hours are short and inconsistent people are likely to move their business elsewhere. In a modern unrestricted market this could seriously affect the core business of POL.
3. POL state that there is a requirement on businesses to run an Outreach service during all hours of opening. This can dissuade businesses from applying to run a service. At the same time, other businesses are allowed to negotiate reduced hours.
4. Concerns are raised by members of the public that when they contact POL to express views on consultations, these are not responded to.

**Actions required of the Westminster and Scottish governments**

- A. POL should be a public service. What are the UK government and the Scottish government doing to ensure that it can continue to provide a meaningful service?
- B. The Scottish government does not want to see cuts in services operated by POL. It should therefore take steps to monitor how far services are in fact declining and, in particular, the impact on rural and other disadvantaged communities.

*The Blackford Post Office Working Group 25 September 2016 – Approved by the BCC 27 September 2016*