

Impact of Post Office Closures on Local Communities: Summary Report

Report for the
National Audit Office

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1 Introduction

1.1 Background

In May 2007, the Government announced that 2,500 Post Office branches were to close over the following two years. The closures were planned to have equal impact across rural and urban areas. Around 500 of the rural branches have been or will be replaced with 'Outreach Services', leaving a large number of villages with no postal service at all.

1.2 Objectives

The NAO is currently undertaking a value for money study into the Post Office Network Change Programme, focusing on the effectiveness of the Department for Business, Enterprise and Regulatory Reform's (BERR) oversight of the closure programme. The closure programme is scheduled to be completed by the end of 2008. One element of the value for money study is to monitor the impacts of the closure programme on local communities. Ipsos MORI were commissioned by the NAO in September 2008 to conduct case studies in six local areas to explore how the programme appears to have affected local communities, including the impacts on local residents, including vulnerable groups, the local economy and nearby Post Offices.

1.3 Methodology and sample areas

Taking a case study approach enables the research to gain both a breadth *and* depth of understanding of the impact of Post Office closures on local communities. Ipsos MORI's research team spent a day in each community, observing the local area and speaking to a variety of audiences about the impact of the closure, including residents, vulnerable residents, businesses and stakeholders.

The case study areas were chosen to offer a geographical spread across Great Britain and in locations where the Post Office closure had occurred at least five months previously. Of course a research study conducted over a short time period of three weeks can only provide a 'snapshot' of the impacts that the closure has had on local communities at that particular point in time. However, by selecting only those areas where the Post Office had closed at least five months previously, the impacts of the closures will have had some time to bed down and local residents, businesses and

stakeholders will have begun to adapt to the new situation and have had time to reflect on it.

A total of 10 discussion groups and 21 depth interviews were carried out across six case study areas. The table overleaf details the area types selected and the nature of the research carried out in each.

Area	Description	Discussion Groups	Depth Interviews
1	Rural remote	General public (1)	Business (2) & Stakeholder (2)
2	Rural remote	General (1) & vulnerable public (1)	Business (2) & Stakeholder (1)
3	Urban deprived	General (1) & vulnerable public (1)	Business (1) & Stakeholder (1)
4	Urban	General (1) & vulnerable public (1)	Business (2) & Stakeholder (2)
5	Urban	General public (1)	Business (2) & Stakeholder (2)
6	Rural	General (1) & vulnerable public (1)	Business (2) & Stakeholder (2)

In each of the rural locations, the Post Office has been replaced by a hosted Outreach Service, with opening hours ranging from six to 12 hours per week. The three rural locations were selected to represent areas with a range of Outreach hours, provided by a hosted service. This research has not examined communities that have been provided with other Outreach services (partner or mobile). They are likely to have different issues to those raised by this study. Neither has it looked at the significant number of rural communities that have lost their Post Office and have not received *any* form of Outreach Service.

Where rural communities are referred to, it is rural communities with hosted Outreach Services rather than communities with other or no Outreach Services that are being discussed.

1.4 Interpretation of qualitative data

Unlike quantitative surveys, qualitative research is not designed to provide statistically reliable data on what residents as a whole are thinking. It is illustrative rather than statistically reliable and therefore does not allow conclusions to be drawn about the extent to which something is happening.

Qualitative research is intended to shed light on why people have particular views and how these views relate to demographic characteristics and the experiences of residents concerned. Conducting discussion groups and depth interviews enables a cross-section of local residents to participate in informal and interactive discussions and allows time for the complex issues and options for the future to be addressed in some detail. It also enables researchers to test the strength of people's opinions. This

approach, in other words, facilitates deeper insight into attitudes underlying the 'top of mind' responses to quantitative studies. It is important to bear in mind that we are dealing with perceptions rather than facts, although perceptions are often facts to those who express them.

Verbatim comments from the discussions have been included within this report. These should not be interpreted as defining the views of all concerned but have been selected to provide an insight into a particular body of opinion.

2 Impact on local communities

Inconvenience has been the principal impact on local communities across the six case study areas. The vast majority of local residents who took part in the research, particularly able bodied and working people, have been able to adjust to the new circumstances in which they find themselves. It is these residents that we initially focus on.

2.1 Local residents

In the urban case study areas, residents have had to cope completely without their former Post Office, while in the rural study areas, services have been replaced by a hosted Outreach Service, operating between six and twelve hours per week. In both types of location, local residents have had to start planning their use of the Post Office. Having previously had access to postal services, throughout the week, in a local and convenient location, this is something they are not used to having to do.

There is the expectation amongst some residents that postal services are a right. In some areas, postal services were even viewed as a utility – a service that everyone has a right to access. This is likely to relate in part to public confusion about the extent to which the Post Office is a privately run or publicly administered service.

There are those local residents in rural locations who are unable to take advantage of the Outreach Service, with many working residents even unaware of the opening hours. The provision of this service does not fit with their busy working lives and so it holds little relevance to them. Instead they have to plan to use an alternative Post Office as part of their routine.

Physically able, working residents are more socially and geographically mobile and less confined to their villages or local areas than more vulnerable residents such as the elderly, people with disabilities, those on low incomes or those without their own private transport. As a result, accessing alternative Post Offices is a relatively easy task for these individuals, if initially viewed as inconvenient. However, they do complain that there are issues surrounding parking at alternative Post Offices and that the journey is an extra personal expense, due to the cost of petrol. In rural locations, residents expressed the perception that the Post Office closure programme was inconsistent with broader Government environmental policy, as they now have to make more journeys than before the closure. In reality, residents rarely make journeys solely to use an

alternative Post Office. Instead, it is usually incorporated into their routine, for example at the same time as a trip to work or to shop.

In areas where the Post Office had been part of a local shop, residents missed the convenience of having a local one-stop-shop where they could undertake a number of tasks, such as buying bread, milk, a newspaper and stamps, as part of the same trip. Once again, with a little extra planning and a change to their routine, residents have been able to overcome this situation relatively easily.

Local residents tend to be vocal about the Post Office being an essential element of their communities and an integral tool in promoting community cohesion. Whilst the Post Office does appear to play an important role in this, these residents nonetheless tend to benefit less than more vulnerable groups from this aspect of the service, as they are usually infrequent users of the Post Office. They have been able to adapt more easily to life without the Post Office, adopting alternative services and tools, like telephone banking and the internet, to run their lives. The Post Office is used only when necessary. Whether local residents feel they are voicing concerns on behalf of the more vulnerable residents or whether they foresee the role the Post Office will play for them when they become more vulnerable themselves in future is unclear. What is clear however is the conviction with which this group of residents champion the value of the Post Office as a social institution, despite their limited interaction with it.

Amongst the small minority of local residents that have made frequent use of the new Outreach Services, there is general recognition that the breadth of service offered is in keeping with or superior to that offered by the original Post Office. Despite it being a relatively occasional task, local residents frequently mentioned the convenience of now being able to tax vehicles locally. For this group of residents, this greater breadth of service has been the main redeeming feature of the replacement of the Post Office with an Outreach Service. However, there is real concern among residents of rural communities that the provision of an Outreach service is an interim stop-gap prior to full removal of postal services to an area. Should this be the case, it is these vulnerable residents that will be most seriously impacted by such a move.

In the urban areas, the closure of the Post Office was seen as a contributing factor in, or in some cases the sole cause of, the local area's social and economic decline. As well as having been a service that had attracted people to the area, which in turn benefited the surrounding businesses, the former Post Office, once closed, has

become another boarded up and empty premises. In some areas, local residents linked this to a rise in incidents of graffiti and vandalism.

2.2 Vulnerable local residents

Vulnerable residents, including the elderly, people with disabilities, parents of young children, those on low incomes and those without access to private transport, have been more seriously impacted by the Post Office closure programme than other local residents. For these people, life is centred more in their local area and therefore, the reduction of *any* local service will almost inevitably have a greater impact on them.

For most of these residents, using the Post Office was an integral part of their routine. It gave them the opportunity to get out of their homes and interact with others from the community. For others, particularly parents of young children, a trip to the Post Office offered a break from their routine, and some valuable adult conversation. However, the Outreach Services included as part of this study have very limited opening hours. Parents of young children reported that they are often constrained by family routine and question the extent to which the Outreach service fits into this. While the elderly often have more time available to them and are therefore more flexible, there are some for whom routine is still vitally important. If they have always collected their pension on a Monday, they will continue to want to do so, even if the Outreach Service is not available to them on that day.

The closure programme has prevented some vulnerable residents who are less physically mobile from accessing the Post Office and its services. Residents have been prevented from reaching the Post Office for a number of reasons. In some areas it is the increased distance, even within the same village, to the Outreach Service. In other circumstances it is poor access at the new or alternative site, or the new route that necessitates them crossing a busy road or passing around a difficult and dangerous bend. Although predominantly an issue for residents with mobility issues, there were complaints from parents of young children about now having to cross busy roads to access alternative facilities. Amongst those residents who have been able to access the Outreach Service, there is concern about the perceived lack of security and lack of personal privacy that the Outreach Service provides.

Particularly in rural areas, trying to access another Post Office when the Outreach service is not available is hard for vulnerable residents. The lack of public transport infrastructure in rural areas was a frequently voiced concern amongst all local

residents, but one that most seriously impacts on vulnerable residents. Buses, where they still exist, often take a long time to reach their destination due to the number of stops they have to make. The limited number of services also often means that passengers have either a very short turnaround time at their destination, or a very long wait for a returning bus. Neither situation is ideal for vulnerable residents, for example the very elderly with mobility problems or parents of young children. There were also areas in which alternative facilities could only be accessed, but only by changing buses. Again, this is a less than ideal situation for vulnerable residents. In the cities, public transport provision appears to be better, but less relied upon.

Some vulnerable residents have become increasingly reliant on those around them since the Post Office closures. Those with mobility issues, such as very elderly and disabled residents have in some cases become more confined to their homes and rely on others - friends, family and neighbours - to visit the Post Office for them. Those without their own transport, often including parents of young children, have had to rely on the goodwill of those around them to help with transport. It is these groups of residents that in a few cases have to rely on taxis, at significant personal expense, to get them out of situations they have been unable to plan around.

The Post Office, and the post master or mistress in particular, also played an important role in checking on the wellbeing of vulnerable local residents. Across both cities and villages, Post Office staff were familiar with their customers and the routines that they kept. This knowledge acted as a check on vulnerable local residents' health and wellbeing and allowed the alarm to be raised when and where needed.

For vulnerable residents, who are less physically and socially mobile, life is more centred on their local communities. The Post Office *does* play an important role in their lives and the life of their area. Like local residents overall, this group is vocal about the importance of the Post Office as a community hub, seeing it as somewhere for all local people to meet informally, to exchange local news and converse. Villages tend to have alternative, but sometimes less inclusive, social locations and structures in place such as the Church or the Women's Institute. In the urban locations however, there seem to be fewer alternative meeting places. With no Post Office or Outreach Service, the specific, inclusive focal point of the community has been lost and people will disperse to a variety of alternative service providers where they are increasingly unlikely to meet.

Vulnerable residents, by their very nature, are often least equipped to cope with change. They are also, in the case of parents of young children, very busy and confined by routines. Combined with these factors, many have low household incomes and do not have access to private transport. Whilst local residents generally have been able to adapt to the changes by travelling outside their immediate local area or increasing their use of the internet or telephone services, vulnerable local residents find it more challenging or in some cases, impossible, to travel outside the local area or use new technologies to access services. As a result, they are more reliant on the services provided in the immediate local area, whether that is the Outreach Service or the remaining alternative Post Office branches.

3 Impact on local businesses

The Post Office closure programme has proved to be an inconvenience to businesses as well as to residents. In the majority of cases, businesses have proved to be flexible and have adapted to their new situation. In most cases, except where it is very convenient, businesses have generally tended to make alternative plans for accessing services rather than using the new Outreach Services, due to the limited opening hours. At extra cost, due to petrol use, some businesses are making extra journeys out of their local area to access postal services. Others opt to make less frequent trips to a Post Office, saving items up until they have an amount worthy of the extra travelling distance. In these cases, businesses are creating a slight delay in how they do business, but for them, this is the best compromise. Some larger businesses have been able to negotiate services directly with Post Office Ltd. One business for example has its post collected, once a day, directly from its premises.

A further inconvenience for businesses is the reduced frequency with which some of them are able to deposit their takings. In some instances, having previously banked with the local Post Office, businesses have had to change or adjust their banking arrangements, by changing branch or provider. Both have led to them changing their established routines. In turn, these changes have led to businesses having to keep more cash on their premises for longer periods of time. It is also reported that in some cases, small services, provided as a result of the established relationship between the two businesses, such as the provision of change, were greatly missed.

There have been some businesses, however, that have been more gravely impacted by the Post Office closure programme. In two rural locations, the shops that previously hosted the Post Offices have had to face serious financial consequences. Since the closure of the Post Office, both businesses now appear to be attracting fewer customers into their shop. They fear that customers, who were being drawn from both their immediate locale and the surrounding villages to use the Post Office, are now staying away. Previously, for convenience, when visiting the Post Office they would also use the other facilities available within the shop. It would appear that the remaining shop alone does not feature in everyone's new routines.

In both areas, there is a small band of loyal residents that have been purposefully using the local shop more, in an attempt to keep it financially viable. It is hard to judge whether such a stand will succeed. What is clear however is the difficulty and

subsequent worry that the closure is causing for these business owners due to the fall in custom they report.

On a personal level, the closures have been a real blow for some former post office workers. One former postmistress is reported to have entered a period of depression following the closure. Another, although pragmatic about the circumstances, felt very let down by the treatment she had received from Post Office Ltd when she was told that she would not be able to work at the Outreach service that was due to replace the Post Office run from her shop, although she had been asked to act as host of the service.

In city areas where the Post Office formed part of a parade of shops, the remaining businesses have also felt the impact of the closure programme. Businesses close to the site of the former Post Office have reported that customer numbers are down and that certain customer groups, such as pensioners or those claiming benefits, can be identified as less likely to use their services than previously. In these circumstances, businesses link their financial decline directly with the recent Post Office closure. There is also some limited evidence to suggest that some businesses close to a remaining Post Office have gained customers due to the increased numbers of people using the Post Office services.

There is a concern among local residents and businesses across some of the case study areas that the closure of the Post Office could be a decisive blow to the area's fortunes. They see the closure as part of a spiral of decline that will in turn lead to falling customer numbers and other shops potentially closing.

Conclusions and future issues

Local residents generally are vocal about the impacts the Post Office closure programme has had on their communities despite their relatively low usage of the facilities, old and new. As a more socially and physically mobile group than vulnerable residents, they are able to access a wider variety of services, whether by going to other areas close by or by using different channels, for example, internet banking. The Post Office closure programme has undoubtedly been an inconvenience for this group, removing a service that had always been available, in a convenient location, whenever they needed it. Nevertheless, it has had little significant impact.

In the rural areas where they are provided, Outreach Services tend to be used by local residents only where they happen to fit in with their work and lifestyles, due to their limited opening hours. Generally however, this group have had to begin to plan to use alternative Post Offices. They now fit it into the routines of their lives, often combining it with journeys to work or a shopping trip. The closure has been undoubtedly been an inconvenience, but one that this group of residents are capable of comfortably dealing with.

The lives of vulnerable residents have been more seriously impacted by Post Office closures. Due to issues of mobility and routine, combined with little public transport provision in rural areas, this group of residents are more centred in their communities and therefore rely more heavily on local facilities. For some vulnerable residents, the Post Office was an integral part of their routine, allowing them to leave their homes and engage with other people. For this group, the loss of the Post Office really does mean the loss of an inclusive, social, community hub. Local Post Offices also played an important role in checking on the wellbeing of vulnerable local residents, where absence or a deviation from routine was noted.

These losses are even greater in the cities where there are less alternative facilities available. The change in Post Office provision has led to some vulnerable residents becoming increasingly housebound. A combination of increased distance, difficult access or a change in route has prevented some in this group from continuing to access postal services themselves, while others have become increasingly reliant on those around them, friends, family and neighbours, for assistance.

The business community has also largely been able to cope with the inconvenience and subsequent change to its routines. Following the Post Office closures, businesses

have had to continue to access the Post Office and in some cases, alter how they continue to bank. By utilising a combination of the new and remaining postal services, as well as by negotiating services directly from Post Office Ltd, most businesses have taken the closure in their stride, albeit with some extra fuel costs and possible delays in posting items. More profoundly impacted by the closures have been the shops that formally hosted the Post Offices and the local businesses that have remained. All have suffered from a reduction in customer numbers, as those that had been previously drawn to the area by the Post Offices, no longer come to use their businesses. Despite wider economic circumstances, such as the looming recession, these businesses identify the Post Office closure as the major factor in their current financial difficulties.

Looking to the future, there is a real fear amongst rural communities that the Post Office closure programme could result in areas being left with no local facilities at all. There is some concern in these communities that Outreach Services are simply part of a staggered closure programme that will at some point lead to a full removal of postal services. More widely, across both rural and urban areas, Post Office closures are seen as a contributing factor to a wider spiral of decline in which, as facilities disappear, less and less potential customers are drawn to an area, which in turn results in further closures for local businesses. There are of course wider contributory factors, such as increased shopping at supermarkets and out of town shopping and leisure facilities, which only add to small communities' fears for the future survival of their local areas.