St Leonards-on-Sea Post Office® 12-14 London Road, St Leonards-on-Sea, TN37 6AA

Thank you for your recent letter, regarding our proposal to change the way we operate St Leonards on Sea Post Office.

This is also in response to the consultation comments made on behalf of Hastings Borough Council sent by Michael Courts. The Council's feedback has been noted and will be fully considered as part of the consultation process for St Leonards on Sea Post Office. The consultation period ended on 9 August 2017 and we are now carefully considering all feedback alongside all relevant factors before making a final decision.

By way of background I'd like to explain that, like all high street operators, faced with a challenging commercial environment, Post Office has had to develop a more flexible approach on how we maintain a service to our customers. We are reducing our reliability on Government subsidy and to do so, we need to be sure our network is self-sufficient.

In January 2016 we announced that we were looking to make changes to some of our directly-managed Crown branches. This part of our network has historically been heavily subsidised and 5 years ago it was losing £46 million. Today it is breaking even but we cannot stand still if we are to avoid slipping back into loss and it is inevitable that further changes will have to be made if we are to ensure the commercial sustainability of our network.

I hope it assures you to know that we are aware of the ongoing regeneration taking place in St Leonards on Sea and our plans are intended to ensure that Post Office services remain in the heart of the community.

To achieve this, in certain places, such as St Leonards on Sea, we believe the most effective way to do so is through a carefully selected retail partner. I can report that the vast majority of our branches are already successfully operated in this way and we believe this is the best approach to retaining the branch so it can continue to serve our customers in St Leonards on Sea for the long term. We will only change the way we operate a branch where we are confident that there is a good business plan and there is the potential for it to be both successful and sustainable into the future.

If the proposal goes ahead Post Office Limited has agreed to sell the freehold of its premises in St Leonards on Sea to the new operator, who, following refurbishment will run the branch alongside a newsagents with a small convenience retail offer. Within the terms of the sale agreed, is required to ensure a Post Office remains at the location for at least the next ten years. In addition to the terms of sale, the contract we have with for operating the branch also makes provisions that protect the Post Office operation. Should decide to sell the premises, or cease to operate the branch, Post Office Limited would have the right to introduce another operator. We are confident that this provides security in the provision of Post Office services to the community in St Leonards on Sea.

With regard to these specific points on the development on the upper floor, we recognise the concern that can be created when changes are proposed. However, property development is not part of our strategy as a retail business, so this is not something we would consider doing. I can also confirm that much of the upper floor is currently in use, providing staff rooms and a meeting room for our branch manager. The remaining space is used for storage.



The comments about the skills and expertise of the current staff have been duly noted. Indeed, good customer service remains one of our top priorities going forward. Any staff who would be directly employed by the potential new operator go through our stringent security background checks to ensure they can operate Post Office equipment and the potential new operator is contractually obliged to complete these checks. I would like to reassure you that all staff employed by the potential new operator would be trained to the same standards as our own directly managed staff which includes excellent customer service and the need to respect customer confidentiality and the issues important for privacy.

Further to the comment on queues and counter positions, should a decision be made to proceed, there would be four counter serving positions, two open plan style positions, one traditional screened position and a Post Office serving point located at the retail counter where customers can access the majority of Post Office products and services alongside retail transactions during shop opening hours. The number of proposed counter positions is based on current and future predicted business levels and the level of counter coverage would be aligned to meet customer flow making sure the branch operates as effectively and efficiently as possible.

When we propose to make changes to our network we follow a Code of Practice agreed between Post Office Ltd and the independent statutory consumer watchdog for the Post Office network, which in Great Britain is Citizens Advice and Citizens Advice Scotland and in Northern Ireland, the Consumer Council. In line with this I can confirm that information posters and letters were made available to customers in the branch for six weeks and we have appropriate checks in place to ensure that this this is the case throughout the period of local public consultation. Local representatives and organisations were written to directly at the start of the consultation and information was also published on our website www.postofficeviews.co.uk. In addition, press releases were issued to local media, although it was their decision whether or not they chose to publish it. All these channels provided details of our proposals, how to contact us, together with a timescale for us to receive any comments by.

I would also like to reassure you that we take consultation very seriously and go into consultation with well researched effective proposals. The local public consultation is designed to provide customers and local representative bodies alike the opportunity to fully consider those proposals and let us have their views on how the proposed changes will impact on them and to provide any new information that we may not have been aware of.

In seeking views we ask for feedback on specific areas or questions, such as ease of access into and inside the premises, rather than the principle of the change itself, which is a commercial decision for Post Office to take. All feedback is valued and forms an important part of the decision making process by enabling us to ensure we have identified the best way forward, as we finalise our plans for the new service.

Despite the view that the consultation process was not genuine, please be assured that the final decision on the proposal will not be made until we have reviewed and carefully considered all of the feedback we have received.

Post Office Ltd hosted a customer forum event during the afternoon/early evening of Thursday 3 August 2017 at the Best Western Royal Victoria Hotel Marina. Although holding a forum is not a requirement of the Code of Practice, it was held to provide further opportunities to inform customers about our proposals and to answer any questions they may have had. I think it is important to clarify that the subjects raised and comments made during the meeting were captured and will be considered alongside the other feedback received before any decision is made.

Following my investigations I remain satisfied that we have followed our Code of Practice. If you remain unhappy with this explanation you should contact Citizens Advice, the independent consumer body, at Freepost RTJA-XXRU-GKRE, Consumer Futures, Post Office Changes, Citizens Advice Bureau, 200 Aldersgate Street, London EC1A 4HD, quoting reference CF124/17. Alternatively they can be contacted by email at postofficechanges@citizensadvice.org.uk

In closing, once the final decision is taken, you will receive a letter confirming our decision. Additionally information posters will be displayed in St Leonards on Sea Post Office and details will be published on our website www.postofficeviews.co.uk

Thank you for providing us with your views.

Yours sincerely

External Affairs Manager

From:

Sent: 18 August 2017 14:20

To: 'cllr.peter.chowney@hastings.gov.uk' <cllr.peter.chowney@hastings.gov.uk>; 'Michael Courts'

<MCourts@hastings.gov.uk>

Subject: RE: St Leonards Post Office Public Consultation - Response from the Leader of Hastings

Borough Council

Dear Cllr Chowney,

Thank you for your recent feedback with regards to our proposal for St Leonards on Sea Post Office, your comments have been noted as part of the consultation process and my response is attached.

I would be happy to answer any further questions you may have regarding the response attached or about the proposal for St Leonards Post Office and could make a call next week on August 21st, 22nd or 23rd if this is convenient, after then I am away for 2 weeks returning on 7th September and could make a call on my return if this works better for you.

With best wishes





2017 Winner of the Global Postal Award for Customer Experience

20 Finsbury Street, London EC2Y 9AQ

From: Michael Courts [mailto:MCourts@hastings.gov.uk]

Sent: 08 August 2017 14:29

To: Cc: Comments

Subject: St Leonards Post Office Public Consultation - Response from the Leader of Hastings Borough

Council

Importance: High

Dear

Please find attached a response to the public consultation on the proposed changes to St Leonards Post Office from the Leader of Hastings Borough Council.

Kind regards,

Michael

Michael Courts
Corporate and Democratic Services Officer
Continuous Improvement and Democratic Services
Hastings Borough Council
Muriel Matters House, Breeds Place, Hastings, East Sussex, TN34 3UY
01424 451764
hastings.gov.uk

Please quote: Your reference:

Date: 8 August 2017
Please ask for: Cllr Peter Chowney
Telephone direct: 01424 451066

Mobile:

E-mail: <u>cllr.peter.chowney@hastings.gov.uk</u>

Web: www.hastings.gov.uk



Councillor Peter Chowney
Leader of the Council

Muriel Matters House, Breeds Place Hastings, East Sussex TN34 3UY

20 Finsbury Street London EC2Y 9AQ

Dear

St Leonards Post Office, 12 - 14 London Road, St Leonards-on-Sea, TN37 6AA

I am writing in response to the public consultation on the future of St Leonards Post Office.

In the past, St Leonards town centre has suffered from significant economic deprivation, poor local facilities, a depressed property market, poor quality housing, and a limited range of shops and businesses.

However, over the last few years, its prospects have begun to change. Significant economic regeneration has taken place, led by the council and other local partners. The range of shops and local businesses has improved in particular, with a now thriving range of cafes, boutiques, galleries and a range of creative cultural businesses supporting regenerated housing and a reinvigorated local economy.

The Post Office has been at the heart of this regeneration, supporting these new businesses and providing the services they need, especially since all local bank branches have now closed. The post office is also particularly important to the most vulnerable sections of the community who find it difficult to travel further afield – St Leonards still has a high number of low income households, people from minority ethnic groups, older people, and disabled people living nearby.

I understand that the franchise will offer a full range of post office services, exactly the same as is on offer now. However, the proposed franchising of the post office is likely to lead to the loss of dedicated, highly skilled and knowledgeable workers. This is particularly important as the existing post office serves a diverse and multi-cultural community. The number of counters is also going to be reduced significantly, which is likely to lead to more queues.

However, I have further concerns about the proposed franchise. The franchisee will be buying the freehold of the property, and will be required to maintain post office services in the building for only five years. After this time, the building could be converted or sold on. It's highly unlikely that the proposed business model, whereby a retail operation will accompany the post office counters selling stationery, confectionery and newspapers could be profitable. There are many shops in St Leonards already selling those commodities.





We understand that the franchisee will not be applying for an alcohol licence. This is welcome, and such an application is likely to be vigorously opposed by Hastings Council, as St Leonards Town centre is part of alcohol saturation zone, where sales of high-strength alcoholic drinks in particular have led to anti-social behaviour in the past. However, if the retail business is unsustainable (and it's difficult to imagine how it possibly could be sustainable) then it's possible that the franchisee could decide to apply for an alcohol licence to make the business sustainable. I understand that this could not be ruled out under the terms of the franchise agreement.

But with an unsustainable business model, it's very unlikely that the post office franchise and its supporting retail operation would run for more than the minimum five years. After that, the building could be sold and converted (potentially as housing) at a significant profit. That, I believe, is the most likely outcome, and would lead to the entire loss of post office services from Central St Leonards. I don't see how that could be ruled out.

I do not believe that sufficient effort has been made either to find a franchisee with a sustainable business model, or to make the post office sustainable without seeking a franchise partner. For example, the building is seriously under-used. The whole of the upper floor is empty. The space could be used as office or business accommodation (which is in demand in St Leonards) or indeed converted into housing either for rent or sale. Proper use of the building could have made the post office building overall sustainable, and indeed profitable. Hastings Council would have been willing to talk to the Post Office about such proposals, and how the council could help with that – and indeed still would be. But the Post Office has not approached the council to explore any of these ideas.

Nor has enough effort been put into seeking alternative franchisees with a potentially better business model. A local consortium of businesses and residents have expressed an interest in running the post office, but at no time did the post office openly seek franchisees, or make it clear how bids to run the franchise could be made.

Finally, I do not believe that the consultation has been carried out in accordance with the Post Office's own Code of Conduct on post office closure consultations. The Code states:

"We want to make our consultation process simple and clear for all our customers. Each individual consultation will explain the proposed change and the reason for the change. We will then ask specific questions on which we would like your feedback. This will make sure that we get the best information available locally before we make any final decisions"

But at the local consultation session held at the Royal Victoria Hotel, those present were repeatedly told that the decision to franchise the post office had already been made. This would seem to be in contravention of the code.

Overall then, the proposed franchise model for St Leonards post office should be suspended for the following reasons:

- It would lead to a poorer service and jeopardise regeneration of Central St Leonards;
- The post office would only be guaranteed for five years;
- The post office has not adequately explored alternative ways to keep the post office open;
- The business model proposed by the franchisee is not sustainable;
- The post office has not done enough to encourage other franchisees to bid to run the post office.





Hastings Council would then be happy to talk to the Post Office about how we could work together to achieve a better, sustainable, and permanent post office in Central St Leonards.

Yours sincerely,

Councillor Peter Chowney

Leader of Hastings Borough Council



From:

Sent: 10 July 2017 16:21

To: 'cllr.trevor.webb@eastsussex.gov.uk' <cllr.trevor.webb@eastsussex.gov.uk>; 'cllr.terri.dowling@hastings.gov.uk' <cllr.terri.dowling@hastings.gov.uk>; 'Michael Courts' <MCourts@hastings.gov.uk>; 'jhartnell@hastings.gov.uk' <jhartnell@hastings.gov.uk>

Subject: FW: St Leonards on Sea Post Office update

Dear all

Following on from recent communications about the proposal for St Leonards on Sea Post Office, I'm contacting you to advise that we also plan to hold a customer forum on 3rd August. The forum is a drop in session for all customers and stakeholders to attend to find out more about our plans for the Post Office.

I would like to invite you to the customer forum which will take place at:

Best Western Royal Victoria Hotel, Marina, St Leonards, Sussex, TN38 OBD Drop in at any time between 330pm -700pm Date 3rd August 2017

Please feel free to circulate this information to anybody who may have an interest in attending,

Kind regards





20 Finsbury Street, London EC2Y 9AQ

From:

Sent: 27 June 2017 13:22

To: 'cllr.trevor.webb@hastings.gov.uk'; 'cllr.terri.dowling@hastings.gov.uk'; 'Michael Courts';

'jhartnell@hastings.gov.uk'

Subject: St Leonards on Sea Post Office update

Dear all

As you will know from previous communications we are proposing to change the way we operate St Leonards on Sea Post Office. We have now finalised our proposal for the Post Office service and if the change goes ahead the branch will continue to be run from the current premises by our new retail partner, premises by our new retail partner, premises by Office Ltd directly.

This change is part of the announcement we made last year about our plans to make changes to some of our Directly Managed branches as part of the continuing modernisation of the network. Our priority is to ensure that we provide services that will meet customer needs, both now and into the future, and secure the long-term viability of Post Office services in St Leonards on Sea.

A six week public consultation will commence on 28th June and a letter with the full details will be sent to you tomorrow.

Please do not hesitate to contact me should you have any questions,

With best wishes



20 Finsbury Street, London EC2Y 9AQ

From:

Sent: 25 May 2017 16:40

To: 'Michael Courts' < MCourts@hastings.gov.uk>

Subject: RE: Post Office Branch, 12 - 14 London Road, TN37 6AA

Dear Michael

Thank you for the list of questions from the Overview and Scrutiny Committee members regarding the proposals for St Leonards on Sea Post Office. For ease of reference I have responded to each question below and questions 3&4 have the same response.

1. Unlike the planned closure of Hastings Crown Post Office, there are no other retail partners in St Leonards who could accommodate this service. How has this been considered as part of the proposal?

When developing plans for our branches we need to make sure we take the right course of action to sustain services for years to come, so we carefully examine various factors including how customers are using the branch, potential growth and Post Office service provision in the area, as well as running costs and the likelihood of finding a suitable potential franchise partner. As you will be aware from recent correspondence we have also advertised for a franchise partner to apply for the service utilising the current location to ensure that we explore all potential opportunities. I can confirm that we have received expressions of interest in the franchise opportunity which we are currently assessing

2. What are the reasons for the planned closure of St Leonards Crown Office?

I would like to offer reassurance that we are not seeking to close the St Leonards on Sea Post Office service. We need to ensure that our branches are commercially sustainable into the future so that we can keep our services on UK high streets. The directly

managed part of the Post Office network, which includes St Leonards on Sea Post Office, accounts for around 285 branches and makes up a very small proportion of our 11 600 branch network. Historically the directly managed part of the network has been heavily loss making and just four years ago was losing £46m per year. Through efficiency changes and activities like franchising we have been able to bring this part of the network to beak even, however, with costs continuing to increase we cannot risk falling back into a loss making situation and therefore further change is required to avoid reliance on tax payer subsidy. Having considered the various factors, including customer usage, potential growth, Post Office service provision in the area and operating costs we have decided that franchising the St Leonards on Sea service will enable us to retain a sustainable Post Office service for the local community.

- 3. What is the business case for the planned closure, as this branch generates a profit?
- 4. What measures could the council put in place to encourage the retention of the Crown Office, for example the use of discretionary rate relief?

There are a wide range of detailed factors involved when looking at potential changes to individual branches - for example, customer usage now and over previous years , potential growth, Post Office service provision in the area as well as costs for running a branch such as staff and property costs. All of these factors are considered before making a decision on the future of each branch. With regards to St Leonards on Sea Post Office all factors have been considered, including how we may be able to reduce property running costs, and a decision has been made to franchise the Post Office to enable us to retain a sustainable branch in St Leonards on Sea.

5. Many local businesses rely on the banking services provided by the post office, as the local branches of other banks have closed, has this been considered when the Post Office made its plans?

Our plans are to retain Post Office services for the community in St Leonards on Sea and typically the products and services available in our directly managed branches would transfer to the franchised branch including banking services. As well as traditional mails and other services, today's Post Office network provides – for example - online shopping collection and return services, 'click and collect' service for Travel Money and day-to-day banking for the majority of customers of UK banks. Under a new industry-wide agreement 99 % of UK personal bank customers and 75 % of business customers can carry out day-to-day banking at any Post Office branch.

I hope my response is helpful and happy to discuss if there are any further queries,

Regards



Communications Team Post Office Ltd 1st floor, Finsbury Dials 20 Finsbury Street London EC2Y 9AQ

Mobile:

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From: Michael Courts [mailto:MCourts@hastings.gov.uk]

Sent: 22 May 2017 12:10

To:

Subject: RE: Post Office Branch, 12 - 14 London Road, TN37 6AA

Dear

Thank you for your email.

Please find attached a set of questions from our Overview and Scrutiny Committee members, regarding the proposals for St Leonards Crown Post Office.

I would be grateful if you would keep me up to date as the recruitment process continues, if any of the expressions of interest proceed to the public consultation stage.

Kind regards,

Michael

Michael Courts Corporate and Democratic Services Officer

Continuous Improvement and Democratic Services
Hastings Borough Council
Muriel Matters House, Breeds Place, Hastings, East Sussex, TN34 3UY
01424 451764
hastings.gov.uk

From: Sent: 18 May 2017 14:22

To: 'Michael Courts' < MCourts@hastings.gov.uk>

Subject: RE: Post Office Branch, 12 - 14 London Road, TN37 6AA

Dear Michael

Thank you for your email and the call earlier today.

I can confirm that after the advertised closing date earlier this week we did receive expressions of interest which will be assessed over the coming weeks. Assuming the interested parties decide to apply the recruitment process can take a while to complete and It's difficult to put a specific timescale on how long this will take as it depends on how quickly the applicant develops their franchise proposal and submits the relevant information required to be successful in their application. Once a proposal is confirmed we would commence a 6 week public consultation and seek feedback from stakeholders and customers about the plans for the branch. I should also add that we are not looking for any additional applicants at this stage as the closing date for expressions of interest has now passed.

As discussed for confidentiality reasons we wouldn't be in a position to share any details of the applicant or what they propose as part of their application for the franchise before the proposal is finalised and therefore it would be preferable to meet at the public consultation stage as we would then be able to answer more detailed questions and note any feedback as part of the consultation process.

In terms of the products and services available, our aim is to make sure that customers can continue to conveniently access all our services. Full details regarding service access are published for public consultation and typically we aim to provide the same wide range of products and services.

With regards to the customer benefits an arrangement of the kind we are proposing at St Leonards on Sea allows us to retain a Main Post Office in the area and offer services in a more commercially sustainable way. In addition many of our franchise Post Offices, including the previously franchised Hastings branch, offer longer opening hours which many customers find very convenient.

I hope that my response helps to respond to some of the questions raised by the Councillors and if I can be of any further assistance or if there are any additional questions then please do let me know

Kind regards





Communications Team
Post Office Ltd
1st floor, Finsbury Dials
20 Finsbury Street
London
EC2Y 9AQ
Mobile:
Follow @postofficenews

From: Michael Courts [mailto:MCourts@hastings.gov.uk]

Sent: 11 May 2017 14:30

10:

Subject: Post Office Branch, 12 - 14 London Road, TN37 6AA

Dear

Following on from your recent email to Jane Hartnell, I have been asked to contact you by the Chair of our Overview and Scrutiny Committee.

The committee are keen to understand more about the proposals for the St Leonards Crown Post Office and the alternative options being put forward. I would be grateful if you could provide me with more information about the timescales for this piece of work, once the closing date for expressions of interest have closed on 15 May 2017.

Members of the committee are currently preparing a set of questions on this matter and would be keen to meet with you as part of this process.

Kind regards,

Michael

Michael Courts Corporate and Democratic Services Officer

Continuous Improvement and Democratic Services
Hastings Borough Council
Muriel Matters House, Breeds Place, Hastings, East Sussex, TN34 3UY
01424 451764
hastings.gov.uk

From:

Sent: 08 May 2017 16:28

To: 'jhartnell@hastings.gov.uk' <jhartnell@hastings.gov.uk>

Subject: St Leonards on Sea Post Office

Dear Ms Hartnell

You will be aware from previous communications that we have been advertising for a local business to take on the operation of St Leonards on Sea Post Office as a franchise.

In terms of an update we do have interest with regards to the franchise application for the branch that we are currently assessing. Previously we have advertised for a franchise partner within the local area who would have had to provide alternative premises, however, we want to ensure that we explore all opportunities and therefore we have decided to re-advertise for a franchise partner at the current location and a link to the advert which commenced today is below for your reference.

https://runapostoffice.co.uk/home/result/show/st-leonards-on-sea-post-office-st-leonards-on-sea-tn37-6aa

If you have any questions then please do give me a call,

Kind regards



Communications Team
Post Office Ltd
1st floor, Finsbury Dials
20 Finsbury Street
London
EC2Y 9AQ
Mobile:

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From: Sent: 16 November 2016 11:49 To: Cc:

Subject: RE: St Leonards On Sea Crown Post Office

Dear

Thank you for your enquiry.

As you will be aware from previous correspondence we have advertised the Post Office service in St Leonards on Sea and I can advise that we have received some interest. An application can take some months to process and when we have a confirmed proposal for the Post Office service we will contact all stakeholders with further details. A public consultation process would take place prior to a final decision on the proposal and information regarding the public consultation would also be made available to customers in branch and to locally elected stakeholders.

Kind regards



Communications and Corporate Affairs Team Post Office Ltd 1st floor, Finsbury Dials 20 Finsbury Street London EC2Y 9AQ Mobile:

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From: **Sent:** 15 November 2016 16:41

Subject: FW: St Leonards On Sea Crown Post Office

Dear

Further to your e-mail below regarding the above post office.

I would be grateful if could confirm if a local business has agreed to take on the functions of the London Road post office or if you are still looking for premises. In addition, will you be consulting the council further prior to a final decision?

Kind Regards

Hastings Borough Council Aquila House, Breeds Place Hastings, East Sussex TN34 3UY

Tel:

Mobile

www.hastings.gov.uk
@biz_hastings

From:

Sent: 05 July 2016 14:31

To: Jane Hartnell

Subject: St Leonards On Sea Crown Post Office

Dear Ms Hartnell

I am contacting you to advise that we have today briefed our staff at St Leonards On Sea Crown Post Office that we will be advertising for a local business to take on the operation of this branch. Any such change would be subject to a public consultation.

Background

We are continuing to make changes to our directly-run Crown Post Office branches to secure the future of services on UK high streets for years to come. Building on announcements earlier this year, the Post Office is seeking to replace or relocate directly-run Crown branches in 20 locations. In these areas, the Post Office will advertise for suitable partners, or seek to work with local businesses that have the potential to open new branches in the area. The plans are in addition to those shared in January to franchise 39 branches, some of which will be relocated to WHSmith stores as part of a new ten-year agreement reached with the retailer in April. This agreement covers up to 61 relocations into stores by the end of the year, with just over half expected to be concession arrangements still run directly by the Post Office.

Most of the Post Office's network of 11,600 branches are already run on a franchise or agency basis with retailers.

The changes to the Crown branch network are part of a major modernisation programme that is transforming every part of the Post Office. Across its wider network, the company has modernised over 6,300 branches and brought unprecedented ease of access to its services for customers. The Post Office is now the largest retailer open on a Sunday, with 3,800 branches open seven days a week.

Next Steps

When they are developed, detailed proposals for individual local areas are subject to local public consultations. I will of course let you know when we are in a position to run a public consultation.

Please do not hesitate to contact me if you have any questions or would like any further information,

Regards





Communications and Corporate Affairs Team Post Office Ltd 1st floor, Finsbury Dials 20 Finsbury Street London EC2Y 9AQ **Mobile:**

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