

**TAVISTOCK TOWN COUNCIL  
BUDGET AND POLICY COMMITTEE  
TUESDAY 12<sup>TH</sup> JULY, 2022**

**BRIEFING NOTE  
BANKING IN TAVISTOCK  
(WITHDRAWAL OF BARCLAYS BANK)**

**1. INTRODUCTION**

- 1.1 The Committee will be aware that in June, 2022 Barclays Bank announced the closure of it's Tavistock Branch (Appendix 1 refers) to occur on Friday 23<sup>rd</sup> September, 2022.
- 1.2 This was one of 43 closures announced by Barclays between 7<sup>th</sup> June and 1<sup>st</sup> July and followed 12 closures it announced in May this year, and 25 closures announced in March.
- 1.3 It can also be noted there is a not dissimilar rate of banking closures being undertaken by other banks nationally. Such closures are generally attributed by providers to reducing demand for physical services and cash, as exacerbated by the impact of the pandemic, and higher take up of internet banking.
- 1.4 Whilst this is undoubtedly the case in part, it is also notable that in 2021 Reuters reported that Barclays, for example, reported a record annual profit of £8.4bn across all banking services. This represented a near 300% increase on the £3.1bn figure of 2020. Likewise anticipated increases in interest rates will likely provide future support to banking margins.

**2. CONTEXT**

- 2.1 As indicated above the trend nationally across the banking sector is generally to close branches based on the twin drivers of growth in digital take up and increasing margins (reducing expenditure through reducing cost factors such as the built estate and increased working from home) to service providers. Inevitably as more banks close more customers are obliged to turn to digital solutions, and accordingly the cycle both perpetuates itself and accelerates. Reuters have reported that there are already 7 Parliamentary constituencies (ie populations typically 65,000-100,000), without a branch of *any* bank within their boundaries.

[https://www.reuters.com/business/finance/barclays-annual-profit-more-than-doubles-bad-loans-ebb-2022-02-23/#:~:text=LONDON%2C%20Feb%2023%20\(Reuters\),continued%20its%20strong%20re-cent%20performance](https://www.reuters.com/business/finance/barclays-annual-profit-more-than-doubles-bad-loans-ebb-2022-02-23/#:~:text=LONDON%2C%20Feb%2023%20(Reuters),continued%20its%20strong%20re-cent%20performance). Just using Barclays locally as an example it has closed St Austell, Bodmin, Saltash, Newton Abbot, Launceston, Mutley Plain, Plympton, Okehampton and Plymstock.

- 2.2 There has also been a reduction in the amount of cash usage arising from the pandemic (and a reduction in facilities that take it).
- 2.3 This, alongside loss of access to personal banking services, can have major impacts on disadvantaged and/or vulnerable groups in the community, and their ability to function independently. Following trials in Sweden of cashless working, and subsequent significant concerns/challenges arising as regarding social resilience, <https://www.cashmatters.org/blog/why-cash-still-matters-sweden> attention in the UK has now turned to the minimum standards required to provide basic protection for users of cash. Some of the applicable factors in the UK can be found at <https://www.link.co.uk/initiatives/bank-branch-closures/> together with what happens when it comes to the closure of a 'last' bank.
- 2.4 A Parliamentary Research Briefing on the topic <https://researchbriefings.files.parliament.uk/documents/CBP-9453/CBP-9453.pdf> sets out the overall position with particular regard to those categories of person most affected by lack of access to cash, alongside wider issues of going cashless (sections 1.3 – 1.4 refer) and related factors including commitments on a new focus to secure a baseline of access to cash and alternative approaches. Attention is drawn to the section in connection with banking hubs (see also below).
- 2.5 The closure of Barclays in Tavistock follows upon those of HSBC and the Co Op in the Town previously. It therefore leaves TSB (which appears to be operating a minimal banking service) and NatWest currently still operating.
- 2.6 Consequently, the Committee and Council will be mindful, in considering this closure, of the potential that further closures could leave the town without any access to physical banking services.
- 2.7 In the interests of completeness your officers made contact with Barclays Bank previously in view of prospective concerns regarding the future of the local service. On a confidential basis, they have since been working with the bank on a without prejudice basis in an effort

to secure the best level of mitigation achievable in the circumstances. To do so it was very much the preference of your officers that in the round the best mitigation would be either to:

- secure a site for a future banking “hub” facility for the town with a commitment to use from the Bank (Appendix 2 refers for more information – the most local is based at Brixham); or, if not:
- a future commitment in principle to participate in a ‘hub’ should the loss of banking services within the town lead to the need for such a service in the future. The rationale being this would provide a “backstop” position and provide a level (albeit minimum) of assurance regarding future resilience and support for those needing to access banking services in a physical form, and for the wider economic benefit of the Town.

2.8 However, it became apparent that these were not an option which Barclays was in a position to progress at this time. Consequently discussions necessarily focussed on what could be achieved in the alternative. To that end Barclays have indicated that they wish to commit for a period to the provision of limited personal services (but not including cash) on days/times to be agreed which has formed the basis of discussion with your officers. Accordingly agreement has been reached, in principle, and after reviewing various options, for a facility to be provided within the Pannier Market which is progressing at this time and the co-working between Bank and Council on this is welcome.

### **3. TOWN ISSUES**

3.1 Turning then to the local position this report sets out, in brief: -

- opportunity for this Committee and the Council to respond to the three questions raised by Barclays arising from the up-coming withdrawal of services from the Town in September 2022 ;
- the potential for any other representation;
- opportunity to comment on emerging arrangements as between the Town Council and Barclays with a view to the introduction of mitigation measures as/if possible;
- Any other matters.

3.2 The Committee will note the three questions which Barclays have asked in their email of 16<sup>th</sup> June, 2022 (Appendix 3 refers) and it is recommended that the Committee and Council respond accordingly. The questions are: -

- i. What do you believe will be the biggest impact of the closure of the Tavistock branch on the local community?
- ii. What do you believe will be the biggest impact of the closure of the Tavistock branch on customers of the branch?
- iii. What alternative ways to bank do you believe need to be provided to help customers and the community adapt to this change?

3.3 It is noted that the references made above do not include impact on the local economy, therefore Council may or may not wish to take this into account in its responses as well. Helpful information regarding disadvantaged groups and related issues is included in the Parliamentary Research Briefing. However, no doubt in responding Members will, especially, wish to have regard to the particular circumstances of Tavistock, including, but not limited to:

- its demographic (generally an older population than average);
- an anecdotally higher proportion of persons with learning difficulties (deriving in part from the historic provision of services supporting the disadvantaged and/or vulnerable in the community such as the Molly Owen Centre);
- the significant diverse/sparse and at times isolated rural hinterland which draws upon the town for services;
- the reliability and level of service provided by the replacement partner of choice for Barclays – the Tavistock Post Office.

3.4 On a related matter Barclays is the principal provider of banking services to this Authority. Whilst much of the authorities banking activity is undertaken electronically, it continues to be the case that there remain significant cash handling requirements including by virtue of the configuration of organisational business activities. Your officers are in discussion with the bank regarding how these can be met – whether via the Post Office, or, through other means. In this regard the Town Council finds itself in much the same position as other business entities within the town in seeking to secure access to fit-for-purpose services in the future.

#### **4. CONCLUSION**

4.1 The continuing loss of core services from this and other communities represents an inconvenience to many, and an existential threat to some (such as the digitally excluded and some vulnerable groupings). In the case of banking this can affect both personal independence and security, and also challenge some economic/business models.

- 4.2 However, the combination of changes to societal attitude to digital transactions, the accompanying increased appetite for financial/digital risk, and the opportunity for organisations like banks to make major cost savings/profits by moving out of 'bricks and mortar' is unlikely to abate. In those circumstances it is to be hoped that should this trend continue the Council and partners will actively promote and work toward:
- a) continuing access to cash and deposit facilities in an appropriate form;
  - b) banking hub status for the town.

## **5. RECOMMENDATION**

- 5.1 That the Committee and Council
- a) Address the Questions as raised by Barclays set out in para 3.2 above;
  - b) Endorse a commitment to both ongoing cash provision and a future banking hub facility for the Town, should the need arise, and incorporate same within the Council Strategic Plan 2017-23;
  - c) Note the work being undertaken by its Officers in connection with services to the Council itself.

**CARL HEARN  
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TAVISTOCK TOWN COUNCIL  
JULY 2022**