

**OVERVIEW AND SCRUTINY BOARD**

**22 NOVEMBER 2007**

**SCRUTINY INTO CLOSURE & TRANSFER OF POST OFFICE**

**PURPOSE OF THE REPORT**

1. To present to the Overview and Scrutiny Board (OSB) an outline of the closure and relocation of Middlesbrough's main Post Office to W H Smith.

**RECOMMENDATION**

2. Members of the Board are recommended to receive the information presented by the attending organisations and identify any subsequent recommendations.

**BACKGROUND**

3. The Government announced that Post Office Ltd is to close 2,500 post offices across the country and to set up 500 outreach services to mitigate closures in some areas. The closure programme is underway and is scheduled to be completed by the end of 2008. This will leave a Post Office network of approximately 11,700 post offices once the closure programme is finished.
4. The Post Office has declared that the network lost more than £200 million in 2006/7, and there are four million fewer customer visits every week compared with 2 years ago. Rural and urban deprived Post Offices have been hit hard by the decline in Government business. Revenue from Government transactions fell by £168 million in 2005/6.

5. Postwatch have announced that they recognise that the closure of a Post Office is never good news for the customers concerned. However, they also recognise the Post Office network is unsustainable in its current form. Postwatch has therefore stated that it supports managed change to secure the long-term future of the Post Office network.
6. It is understandable that customers will be concerned and want to know if their local Post Office is under threat. Post Office Ltd has split the UK into 46 review areas and will publicly consult on its proposals for each review area on a rolling basis.
7. The Post Office has announced that customers will only know if their local Post Office is to close at the start of public consultation in their area. Once the proposals for an area are known, customers will have six weeks to respond with their thoughts to Post Office Ltd.
8. The closure programme will undoubtedly be a challenging time for Post Office customers. The priority for postwatch will be to ensure that wherever Post Office Ltd brings forward proposals to close branches, they have taken full account of the needs of affected communities. Whilst Postwatch cannot stop closures from happening, they have declared that they intend to investigate every proposal to ensure that customers' reasonable access to Post Office services is retained.

#### **TOWN CENTRE POST OFFICE**

9. Post Office Ltd has stated that the transfer of the Town Centre Post Office to W H Smith follows the successful trial of six Post Office branches last year. As W H Smith is one of the UK's leading retail groups selling a wide range of products it is considered the integration will benefit customers generally.
10. The Post Office are not intending to remove or downgrade the Post Office service presently provided in Middlesbrough and the integration may actually benefit customers by extending the opening hours.
11. The Post Office has identified a six-week consultation period and invited responses from the Local Authority's where changes are to be made. For Middlesbrough it is understood that the consultation period on the closure of the Main Town Centre Post Office and its transfer to W H Smith commenced on 29<sup>th</sup> May 2007 and concluded on 11<sup>th</sup> July 2007.

#### **SCRUTINY MEETING**

12. Representatives of the Post Office, W H Smith and Post Watch have been invited to this meeting and confirmed their attendance. The meeting is to receive information regarding the basis of the closure/transfer of Middlesbrough's main Post Office situated in the Town centre. Clarification is to be sought regarding the affect this will

have on the service, the anticipated impact on the local community, what consultation process has been undertaken and how the service is to be provided in the future.

## **BACKGROUND PAPERS**

13 The Post Office and Post Watch web sites were accessed in the preparation of this report.

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