

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 22 November 2007.

PRESENT: Councillor Carr (Chair), Councillors Bishop, Biswas, Cole, Cox, Mawston, G Rogers and Williams.

OFFICIALS: J Bennington, P Clark, T White and E Williamson.

**** PRESENT BY INVITATION:** Post Office: K Parkin
Postwatch: D Nicholson
W H Smith: P Day, J Robinson and G Soloman.

**** PRESENT AS AN OBSERVER:** Councillors Dunne, Kerr, McPartland, P Rogers, Rehman and members of the public.

**** APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Dryden, Ismail, Rooney, Sanderson and Ward.

**** DECLARATIONS OF INTEREST**

No declarations of interest were made at this point of the meeting.

POST OFFICE – CLOSURE AND TRANSFER

A report of the Senior Scrutiny Officer had previously been circulated regarding the closure and relocation of the Middlesbrough Crown Post Office to W H Smith premises in the Mall shopping centre.

The Government had announced that Post Office Ltd was to close 2,500 post offices across the country and to set up 500 outreach services to mitigate closures in some areas. The Post Office had declared that the network had lost more than £200 million in 2006/7 and there were four million fewer customer visits every week compared with two years ago.

Postwatch had announced that they recognised that the Post Office network was unsustainable in its current form and supported managed change to secure the long-term future of the Post Office network. The priority for Postwatch was to ensure that wherever Post Office Ltd brought forward proposals to close branches, they had taken full account of the needs of affected communities.

The Chair welcomed representatives of the Post Office, W H Smith and Postwatch all of whom provided information regarding the basis of the closure/transfer of Middlesbrough's main Post Office situated in the Town Centre.

Jonathan Robinson, Commercial Manager, W H Smith provided background and detailed information on the relocation proposals the key areas of which were as follows: -

- a) Post Office Limited had stated that the transfer of the Town centre Post Office to W H Smith followed the successful trial of six Post Office branches such premises in 2006;
- b) as W H Smith was regarded as one of the UK's leading groups selling a wide range of products it was considered that the integration would benefit customers generally and included the potential for longer opening hours;
- c) the six offices were located in different parts of the UK and the feedback as regards operation and from a commercial perspective had been positive;
- d) 97% of post offices, which included 400 Crown Offices, had already been franchised;
- e) 76 post office commercial arrangements had been entered into between Post Office Limited and W H Smith across the UK;

- f) a seven-year agreement had been entered into in respect of the Middlesbrough site, which demonstrated the long-term commitment of W H Smith;
- g) the main benefits of the proposals were seen as assisting the Post Office with overall losses by reducing overheads using the W H Smith premises and it was sited in a more central location.

Kevin Parkin, Area Change Manager, Post Office, confirmed that Crown Post Offices were losing £70m a year and in considering the options available had examined the feasibility of entering agreements with a series of partners. An important aspect of such arrangements was the ability to at least maintain the same level of service. It was considered that the centrally located W H Smith premises afforded a better site than the current building on Grange Road although it was acknowledged that initially it would take some time for customers to get used to the new arrangements.

Duncan Nicholson, Postwatch, confirmed that as part of any changes to arrangements it was important to ensure that customers were not unduly disadvantaged and each case was considered on its own merits. Postwatch confirmed their general support to the proposals and felt there were no adverse circumstances in disadvantaging vulnerable customers.

As part of the background information presented to the Board the Director of Regeneration referred to the consultation process and explained the main reasons for a detailed response not being submitted to Post Office Limited. It had been considered that the proposals provided some benefits including a positive feedback from customers in relation to the pilot scheme; a Crown Post Office would be secured and the same standard of service was to be provided; potential for longer opening hours; and a more central location provided. Reference was also made to the need for the proposals to be compliant with the Disability Discrimination Act.

During the ensuing discussion Members sought clarification on a number of areas the key aspects of which included the following; -

- a) as the post office service was regarded as a public amenity there were concerns regarding the access arrangements especially taking into account very busy periods such as Christmas for both the Post Office and W H Smith, coping for example with double baby buggies and wheelchairs;
- b) Members asked if there were any plans to improve the access by either the stairs or the lift to the basement;
- c) an assurance was sought that the same level of service would be retained;
- d) assurances were also sought regarding health and safety aspects and that appropriate measures were in place to cope with emergency exits especially in the case of fire.

Members of the public voiced their concerns mainly in respect of anticipated problems in relation to the use of the lift. Assurances were also sought regarding health and safety aspects especially in the case of a fire. There was a perception that the overall commercial aspects across the UK were at the detriment of the Crown Post Office service provided in Middlesbrough.

In responding to concerns expressed the W H Smith representatives indicated the following: -

- i) subject to the Disability Discrimination Act requirements there were no current proposals to alter the lift which had a maximum capacity of 10 persons but improvements were to be made to access the lift point;
- ii) the proposals involved 15,000 square feet approximately half of the basement area in an open plan setting with 11 counter positions of which two were bureau counters, one desk and two chairs for confidential /discussion area;

- iii) in most cases the lift would be used for the transfer of stock outside of the peak Post Office periods;
- iv) an assurance was given of the fire evacuation process in accordance with the Fire regulations, which included appropriate staff training;
- v) plans had been made for the lift to be overhauled on a regular basis and emergency call out arrangements had been made and also a temporary till point would be opened to deal with normal transactions on the ground floor in such circumstances;
- vi) reference was made to similar sized premises to the Middlesbrough site within the pilot scheme, which had proved to be successful;
- vii) in terms of the projected number of customers it was considered that there may be an initial reduction but given the more central location such numbers were likely to increase;
- viii) it was hoped that after the initial few weeks and with appropriate extension of the queue system the store would be able to manage peak periods as demonstrated in other similar locations;
- ix) confirmation was given that in order to ensure continued commercial viability the core business of W H Smith would remain on the ground floor of the current premises;
- x) reference was made to the monitoring arrangements including the likelihood of a six-month review of the operation and commercial viability of the system;
- xi) whilst the concerns were acknowledged an assurance was given that both the Post Office and W H Smith were fully committed to providing a sustainable solution and working with the community and that appropriate measures would be in place to ensure that a good service was provided and maintained within a central location as demonstrated elsewhere in the UK.

ORDERED as follows: -

1. That representatives be thanked for their attendance and contribution to the deliberations.
2. That the information provided on the proposed changes and explanation on some of the concerns especially in relation to access be noted.
3. That the intention of W H Smith to undertake a review of operation in six months was noted.
4. That a report based on the key issues raised be formulated and referred to the Executive.