

House of Commons 3<sup>rd</sup> report on po closures : some interesting snippets

<http://www.publications.parliament.uk/pa/cm200708/cmselect/cmberr/292/29202.htm>

A) A constant theme in the consultation has been that Post Office Ltd sometimes puts forward profitable branches for closure.[37] In part, this concern stems from differences in the definition of profitability; an office which supports a sub-postmaster may still make a loss for Post Office Ltd when overheads are taken into account.[38] However, Mr Cook could not give us a categorical assurance that no office which was profitable for Post Office Ltd would ever be closed:

I cannot categorically say no, but it is clearly pretty illogical that we would want to close something that is making a profit to us, unless it was really, really close to another one that was making even more, so you could say, "Is that a nonsense to have those two so close together?" so that is why I do not want to give you an unqualified no because I cannot tell you that we would not find that, but the essence is really that we need to be sure that **every one we close produces a material saving to Post Office Ltd** and there will be **no post office that closes that does not produce a material saving to Post Office Ltd**. [39]

We noted this assurance. However we have some concerns about this, given that profitable branches are likely to be busy and valued in the local community. Such closures can only be justified if there is an absolute confidence that receiving offices nearby will have the capacity to deal with the business transferred without inconveniencing customers. Hugh Bayley MP suggested that Postwatch should have power to block the closure of a commercially viable office. **Postwatch should scrutinise proposals to close post offices which are commercially viable for Post Office Ltd particularly closely and, if necessary, have powers to block them.**

B) At the beginning of the Network Change Programme, **sub-postmasters were sent a letter saying:**

During the programme, representatives of Post Office Ltd will visit branches at random, on an anonymous basis, in order to ensure that these "key messages" are being delivered in an accurate and professional manner...any compensation package offered to you...shall be subject to you having complied, and continuing to comply with this obligation up to the date of closure.[45]

Although the **letter was immediately withdrawn**, many of the colleagues who wrote to us told us that it had indeed made sub-postmasters unwilling to express their views, either publicly, or to MPs themselves.[46]

28. Post Office Ltd has assured us that the letter was immediately retracted and Mr Cook reassured us "I think at the end of the day actions speak louder than words and six/seven months on no compensation has been docked"[47], but, as he admitted, "it was disturbing the draft was even produced in the first place."[48] **The Post Office's future is a matter of public debate. As we have said, Post Office Ltd is not solely a commercial enterprise. Its network provides access to essential services, and has a greater reach than any other. The Government is the sole shareholder, and the public has a right to expect Government-controlled enterprises to behave in an exemplary way. After the experience of this inexcusable lapse, we expect Post Office Ltd to do so in future.**

C) that in **Glasgow Postwatch had persuaded Post Office Ltd to change its plans for 24% of the offices** at this pre-consultation stage.[15] This is not generally appreciated, and despite the observation in the documents setting out the proposals for change that 'x%' of proposals have been changed as a result of pre-consultation, the process is opaque.

D) the belief that the public consultations are a sham. As the Leader of the House said, when challenged about the consultation on Post Office closures, "We must ensure that, if at any stage a Government Department or agency engages in consultation, it is genuine consultation; otherwise it is worse than simply taking the decision itself."[18] The Minister told us that it was important to be clear about the basis for consultation. The decision to reduce the size of the network has already been taken; the local consultations are not about *whether* post offices should close in a particular area, but **about whether Post Office Ltd's proposals identify the right offices for closure**. The problem is that the consultation materials do not clearly set this