

**Overview & Scrutiny Committee - 5<sup>th</sup> July 2010 – Agenda Item 10 – Post Office Closures**

**Post Office Ltd Responses to Overview & Scrutiny and Member Questions**

Originator	Question
Questions for Post Office Ltd.	
1. On behalf of the Overview & Scrutiny Committee by the Chair and Cllr Allison	<p><b>Can Post Office Ltd provide details of the impact that post office closures have had upon service accessibility for the remaining post office network in Haringey in respect of the:</b></p> <ul style="list-style-type: none"> <li>• <b>Length of queues at remaining post offices?</b></li> <li>• <b>Queuing times at remaining post offices?</b></li> </ul>
A	<p>As mentioned in your scrutiny committee report, national data shows that there has been little impact on service quality arising from the programme of post office closures. There are no recent major issues that we are aware of with regard to queuing times in the Haringey area. We are aware that there have in the past been some customer concerns at Wood Green Post Office – this branch has recently undergone a refurbishment to include private customer consultation areas and will shortly have some self-service mailing kiosks installed (the Post &amp; Go machines) as an alternative to being served at the counter if customers only have items to post.</p> <p>(see also answer to Q 4)</p>
2. On behalf of the Overview & Scrutiny Committee by the Chair	<p><b>Can Post Office Ltd provide details of the impact that post office closures have had on the financial viability of the remaining post office network in Haringey in respect of:</b></p>

	<ul style="list-style-type: none"> <li>• <b>Improved financial turnover of remaining post offices? (collectively)</b></li> <li>• <b>Improved profitability of remaining post offices? (collectively)</b></li> </ul>
A	<p>We don't have detailed information regarding financial costs for the Post Office network in the Haringey area that we are able to share publicly. However, one of the key purposes of the Network Change Programme was to put the branch network on a more stable footing for the future. A key aim of the programme was to improve the prospects of the Post Office branches remaining in the network and almost 90% of the customers of branches which closed are now regular customers of neighbouring branches. The Network Change Programme was delivered on time, under budget and delivered all of the expected financial savings – in the region of £45 million.</p> <p>(See also answer to Q9)</p>
<b>3. On behalf of the Overview &amp; Scrutiny Committee by the Chair</b>	<p><b>The Committee understand that Post Office Ltd regularly undertakes mystery shopper exercises to assess customer services at post office branches. Can Post office Ltd provide details of:</b></p> <ul style="list-style-type: none"> <li>• <b>how it uses such data to assess service quality and service accessibility?</b></li> <li>• <b>Of any benchmarks in service performance which trigger interventions? (i.e. excessive queue times)</b></li> <li>• <b>what action is taken against those post office branches which fail mystery shopper exercises?</b></li> </ul>
A	<p>Mystery shopping is used by many organisations to understand, from an independent perspective, how customers experience their services. We use mystery shoppers at a selection of branches to assess a range of customer service issues from how customers are greeted at the counter to whether they are fully informed about relevant products and services. The branches that are visited are sampled monthly so the information is not statistically relevant down to individual branch level and we use the data to review national trends and service issues. There is no pass or fail, the data is used where appropriate to identify service improvements.</p> <p>(see also answer to Q5)</p>

<p><b>4. On behalf of the Overview &amp; Scrutiny Committee by the Chair</b></p>	<p><b>As a result of the closure programme, particular concerns have arisen for the accessibility of Wood Green Post Office (N22 6DZ) where long queues and long waiting times are now common place. Can Post Office Ltd provide details of:</b></p> <ul style="list-style-type: none"> <li>• <b>Mystery shopper queuing data for this post office?</b></li> <li>• <b>Interventions to help improve the accessibility of this post office?</b></li> </ul>
<p>A</p>	<p>We don't share individual branch data because it is commercially sensitive. The team at Wood Green are aware of the importance of providing a good customer service and continue to work to improve standards at the branch. The branch has recently received a refurbishment which includes updated branding, new point of sale, private customer consultation areas and new technology including the easy to use self service mails (Post &amp; Go) machines. We have level access into the branch so customers with mobility difficulties are able to easily access the facilities.</p>
<p><b>5. On behalf of the Overview &amp; Scrutiny Committee by the Chair</b></p>	<p><b>Customer service and service quality is clearly important in an increasingly competitive market, can Post Office Ltd describe:</b></p> <ul style="list-style-type: none"> <li>• <b>how service quality is monitored and supported in local branches?</b></li> <li>• <b>what benchmarks exist for the provision quality services/ customer services at post offices?</b></li> <li>• <b>what training is provided for sub-postmasters and their employees?</b></li> </ul>
<p>A</p>	<p>Customer service is of paramount importance to us. We have a wide network of branches and more than 170 products and services so training is available on a variety of topics and in a variety of formats. Subpostmasters receive an initial training course before they take over a new branch, and then they are responsible for ensuring that their teams are fully trained to the standard we and our customers expect. They are regularly updated on new products and services, or on special promotions for particular products to ensure they are able to assist customers. There is also a dedicated helpline for subpostmasters if they have any queries. We use the mystery shopper data to assess a range of customer service issues from how customers are greeted at the counter to whether they are fully informed about relevant products and services. We also have a robust customer complaints process that enables us to identify any specific customer concerns at branch level.</p>

<p><b>6. On behalf of the Overview &amp; Scrutiny Committee by the Chair</b></p>	<p><b>Can Post Office Ltd provide any details of investment plans in place to improve access and appearance of post offices in Haringey?</b></p>
<p>A</p>	<p>A key part of the Network Change Programme was to generate a more viable network across the remaining branches. Individual branches have made investments in their branches across the whole of the network nationally and Post Office has just completed a full refurbishment programme of the Crown Office branches - an investment of £45 million nationwide.</p>
<p><b>7. On behalf of the Overview &amp; Scrutiny Committee by the Chair</b></p>	<p><b>Can Post Office Ltd provide details of how it is aiming to increase new business streams to help ensure the future financial viability of the post office network?</b></p>
<p>A</p>	<p>We have had lots of success in developing our product range over recent years. We launched a business insurance product last year, and mortgages at competitive rates of interest were rolled out to the nationwide network after a successful regional trial. Post Office Ltd is one of the fastest growing branches in the highly competitive financial services sector, with more than 2.2 million customers. The Post Office has attracted £9 billion in savings; it insures the cars, homes, pets or businesses of 550,000 customers; issues more than 3,000 credit cards a week and over 600,000 people now carry one in their wallets. We now have some 2,000 free-to-use cash machines in Post Office branches, making us one of the UK's biggest no-fee cash machine networks. We are also the largest provider of foreign currency in the UK. We are keen to work with the council on any products and services that can be delivered through local branches.</p>
<p><b>8. On behalf of the Overview &amp; Scrutiny Committee by the Chair</b></p>	<p><b>Can Post Office Ltd provide any further clarification on what can be expected within the forthcoming Postal Services Bill and its implications for Post Office Ltd and the services that it provides?</b></p>
<p>A</p>	<p>Details of the Postal Services Bill are yet to be published but its main elements are to safeguard the future of Royal Mail and the Post Office network, with Post Office Ltd remaining in public ownership. However, the Coalition Government has stated that it is committed to making a social network payment of £180 million in 2011-12 to support the network at around its current size, subject to state aid clearance from the European</p>

	Commission. It is also working with Post Office Ltd on funding for the network beyond 2012. Additionally, the Coalition Government has stated that it will ensure that Post Offices are allowed to offer a wide range of services in order to sustain the network, and will look at the case for developing new sources of revenue, such as the creation of a Post Office Bank.
<b>9. On behalf of the Overview &amp; Scrutiny Committee by the Chair</b>	<b>Does Post Office Ltd have any plans for further post office closures in Haringey in the short to medium term?</b>
A	We have no current plans to conduct any closure programmes in the network.
<b>10. Cllr Ejiofor (Overview &amp; Scrutiny Committee)</b>	<b>Once the closure programme had been implemented, what was the maximum walking distance that a Haringey resident lives from their nearest Post Office? How does this maximum compare with residents from other London boroughs, and is it different from the east and west of Haringey? What was the target maximum that informed the closure programme in the first place?</b>
A	<p>We are required by Government to use the following criteria to manage the network. All aspects are currently on target.</p> <p>Nationally:</p> <ul style="list-style-type: none"> <li>• 99% of the UK population to be within 3 miles and 90% of the population to be within 1 mile of their nearest Post Office<sup>®</sup> branch.</li> <li>• 99% of the total population in deprived urban<sup>1</sup> areas across the UK to be within 1 mile of their nearest Post Office<sup>®</sup> branch.</li> <li>• 95% of the total urban<sup>2</sup> population across the UK to be within 1 mile of their nearest Post Office<sup>®</sup> branch.</li> <li>• 95% of the total rural<sup>3</sup> population across the UK to be within 3 miles of their nearest Post Office<sup>®</sup> branch.</li> </ul> <p>In addition, for each individual postcode district:</p>

		<ul style="list-style-type: none"> <li>• 95% of the population of the postcode district to be within 6 miles of their nearest Post Office<sup>®</sup> branch.</li> </ul> <p><sup>1</sup> Deprived urban – The most disadvantaged urban parts of the UK based on the Indices of Multiple Deprivation (top 15% Super Output Areas in England, 15% of Data Zones in Scotland and 30% of Super Output Areas in Wales and Northern Ireland).</p> <p><sup>2</sup> Urban – A community with 10,000 or more inhabitants in a continuous built up area.</p> <p><sup>3</sup> Rural – A community not covered by the definition of Urban above.</p>
<b>11. Cllr Ejiofor &amp; Cllr Winskill (Overview &amp; Scrutiny Committee)</b>		<b>Can Post Office Ltd provide any details of any assessments that have been undertaken to assess the social, economic or equalities impact of closures in Haringey?</b>
	A	We do not have any information on this data in the Haringey area – all branches where changes were proposed under the Network Change Programme were visited by Post Office Ltd to make sure that all customer needs at a local level were considered when developing our proposals for branch closures. We also asked people to raise any issues such as these during the public consultations on branches we were proposing to close, and all feedback was carefully considered before a decision was made.
<b>12. Cllr Winskill (Overview &amp; Scrutiny Committee)</b>		<b>Following Overview &amp; Scrutiny criticism of the consultation, has any review or "post mortem" been done on the consultation process that Post Office Ltd undertook in the run up to the closures?</b>
	A	Yes there were several reviews of the Network Change Programme as a whole, including the consultation process, these included Select Committee reports and the National Audit Office report.  (Conclusions are summarised in the scrutiny report)
<b>13. Cllr Winskill (Overview &amp; Scrutiny Committee)</b>		<b>Was any support was given to ex- post office businesses who lost their income from the Post Office following the closure programme?</b>

	A	A comprehensive compensation package was provided for the subpostmasters of branches that closed. The package was developed in conjunction with the National Federation of Subpostmasters.
<b>14. Cllr Winskill (Overview &amp; Scrutiny Committee)</b>		<b>Please update the Committee on the (then) proposals for the franchise of the Tottenham Crown Office.</b>
	A	The franchise of Tottenham Crown Office proceeded on schedule. The public consultation ran from 18 March – 29 April 2008. The decision was announced on 10 June 2008, and the franchised branch opened on 15 September 2008. The franchisee is just about to undertake an extensive refurbishment of this branch and the new-look Post Office is expected to re-open on 23 July.
<b>15. Cllr Winskill (Overview &amp; Scrutiny Committee)</b>		<b>Are there any other plans to franchise other Crown offices in the borough or on our borders?</b>
	A	We have no current plans to make any changes to our Crown office network.
<b>16. Cllr Winskill (Overview &amp; Scrutiny Committee)</b>		<b>In the first full financial year since the closures please tell us what extra revenue and capital resources have been put into the remaining network of Crown and sub post offices to cope with additional demand?</b>
	A	A key part of the Network Change Programme was to generate a more viable network across the remaining branches. Individual branches have made investments in their branches across the whole of the network nationally and Post Office has just completed a full refurbishment programme of the Crown Office branches – an investment of £45 million nationwide.
<b>17. Cllr Winskill (Overview &amp; Scrutiny Committee)</b>		<b>Allowing for the response to my previous question, what have been the net revenue savings to Post office Ltd in the first full year since the closures?</b>
	A	The Network Change Programme was delivered on time, under budget and delivered all of the expected financial savings – in the region of £45 million. Customer migration was almost

	90%, allowing receiving branches to benefit from the new footfall and business.
<b>18. Cllr Allison</b>	<b>Is Post Office Ltd aware of where post offices have been run from local authority libraries? If there are, can Post Office Ltd say they have fared: has this model been a success and how have remaining post offices been affected?</b>
A	Walthamstow Crown Office is housed in a local authority library and has been for several years. This was the result of a branch relocation and no surrounding branches were affected in any way. We also have worked with a mobile library service in Northern Ireland.
<b>19. Cllr Mallett</b>	<b>Where a post office has been removed, would it be possible to provide: a) A pillar box, so that residents could continue to post letters at or very near the site? b) A cash machine which does not charge the users?</b>
A	Pillar boxes were retained in situ, or relocated nearby if on private property, following the Network Change Programme. As Post Office no-fee cash machines are generally stocked with cash by the subpostmaster, we are not aware of any plans to install "stand-alone" ones (i.e. those that are not on a Post Office or Royal Mail site).
<b>20. Cllr Watson</b>	<b>After the Network Change Programme consultation, Post Office decided not to proceed with the closure of Page Green, Broad Lane (N15). Can Post Office Ltd provide further assurance on the future viability of this post office?</b>
A	We continue to look at new products and services that we can offer through all our Post Office branches to retain existing customers and win new ones. The Coalition Government has stated that it is committed to making a social network payment of £180 million in 2011-12 to support the network at around its current size, subject to state aid clearance from the European Commission. Whilst we have no current plans for any further Post Office closures, we cannot give any guarantees about ongoing service provision.
<b>Questions joint for Post Office Ltd and the Council</b>	



<b>21. Cllr Allison</b>	<b>Has the council moved any further forward in having PO services at libraries etc. as was mooted at the time? Would the Post Office be supportive if Haringey took this route?</b>
A	<p>At this point we would not be looking to increase our network of Post Office branches in the Haringey area. To do so would potentially jeopardise the current network as customers would migrate from our existing branches to any new ones, hence placing their commercial viability at risk.</p> <p>The majority of Post Office branches are privately owned and managed by subpostmasters who provide their own premises. On occasions, we do face situations whereby service is disrupted due to circumstances beyond our control. Such circumstances would include subpostmasters resigning and not making their premises available for continued use as a Post Office, or a franchisee deciding not to renew their franchise contract with us. In these circumstances, we would review our network coverage and, if appropriate, we would be happy to consider the possibility of housing a Post Office within an existing library if this was workable for both parties. It would be useful if you could share details of the person responsible for such matters within the Council with us.</p>