



Department for  
Business, Energy  
& Industrial Strategy

Department for Business, Energy &  
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Dear Dr Wilkins,

Thank you for your letter dated 12 November to the Rt Hon Greg Clark MP regarding the franchising of the Oldham Post Office. I have been asked to reply.

I would like to reassure you that this Government values and recognises the important role that the Post Office plays in Oldham and other communities across the UK. This is why we committed in our 2017 Manifesto to safeguarding the Post Office network and protect existing rural services. Between 2010 the Government provided nearly £2 billion to maintain and invest in the Post Office network, leading to the most stable network in generations, with over 11,500 branches across the UK, 93% of the population living within 1 mile and over 99% within three miles of their nearest branch.

I should explain that while the Post Office is publicly owned, it is a commercial business. The Government sets the strategic direction for the Post Office – to maintain a national network accessible to all and to do so more sustainably for the taxpayer – and allows the company the commercial freedom to deliver this strategy as an independent business

Your letter asked a number of questions and I have gained some insight on these from Post Office Limited. Franchising is not a privatisation or closure programme, and the Post Office is not moving from public ownership. The Post Office's proposal to franchise or host its Crown branches are part of its plans to ensure a sustainable network in the face of unprecedented change on our high streets and in consumer trends. Franchising has helped the Post Office's Crown branches move from a £46 million loss in 2012 to break even today, thereby reducing the taxpayer funding that the Post Office requires from Government whilst maintaining, and in some instances improving, customer service levels. With over 11,300 branches (almost 98% of the total network) operating successfully on a franchise or agency basis, franchising is a tried and tested way of delivering key services.

Let me reassure you that, like Oldham Council, WHSmith sees Post Offices as a central hub in the community and takes the social responsibilities that comes with this very seriously. The recent announcement regarding 74 branches brings the total number of Post Offices operated by WHSmith in their stores to over 200, supporting the long-term sustainability of Post Office

branches, bringing longer opening hours and offering 7-day trading for customers in convenient locations.

The Post Office is committed to ensuring that franchised branches offer the full suite of Post Office products and services currently on offer within the Crown branches. The UK Visa and Immigration Biometric Enrolment Service for the Home Office was available in a mix of 99 directly managed and WHSmith branches nationwide. However, the Home Office recently awarded this contract to Sopra Steria, who will now take on the running of this service in new locations.

Regarding the Post Office's consultation, I can reassure you that prior to finalising any relocation, the Post Office Limited runs a 6-week public consultation. This process seeks to inform, and gather views from, opinion formers and local stakeholders of the proposed changes to the network and to allow the public to inform the Post Office's plans for the new branch. The Post Office also runs a customer forum to allow the public to speak to them directly. This process is in line with the Post Office's Code of Practice on changes to the network agreed with Citizens Advice. A recent review by the Citizens Advice reported that the Post Office consultation process is increasingly effective, with improvements agreed in most cases, demonstrating that the Post Office listens to the community.

I have been informed by the Post Office that the consultation for the franchising of the Oldham branch will commence in early 2019 and the Post Office will write to you with further details ahead of this.

Finally, you raise concerns regarding the impact of franchising on Post Office staff. I understand that when a branch is franchised, Post Office staff will have the opportunity to transfer to the new franchise under the Transfer of Undertakings (Protection of Employment) regulations (TUPE), be redeployed elsewhere with the business, or leave with compensation. You can rest assured that it is the Post Office's ambition to secure the best outcome for its staff and extensively consult with them to identify their preferred solution.

I thank you for taking the time to bring this matter to the Minister's attention. I encourage you, and residents of Oldham, to engage with the upcoming consultation on the Oldham Crown branch so that the Post Office is fully aware of your views and any concerns.

Yours sincerely



Elizabeth Hennessy  
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