

Post Office announces plans to close 115 branches and cut thousands of jobs

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The Post Office has announced plans this week to close more than a hundred of its remaining Crown office branches threatening 1,000 jobs.

The *Financial Times* (FT) stated bluntly, “The company said on Wednesday that it would seek to offload 115 branches to retail partners or sub-postmasters, placing 1,000 jobs at risk. The branches may be closed if new operators are not found.”

This was based on the announcement by Post Office interim chair Nigel Railton of a five-year Transformation Plan following a Strategic Review in May.

The plan accelerates the government’s cost-cutting drive for slashing state funding going back to the break-up of the postal service in 2012. The cashier and retail services were separated from collection, sorting and delivery of letters and parcels by Royal Mail to ram through privatisation of the latter in 2013.

The Post Office has been run arms-length by the government through UK Government Investments, a body controlling a portfolio of wholly or partially state-owned companies such as NatWest bank and Channel 4 News.

The “fully franchising model” which the Transformation Plan aims to complete is privatisation under a different name. Crown offices now account for only 1 percent of Post Office branches, just 115, down from over 373 in 2012.

Major supermarkets and other retail chains have been contracted by government to operate around 2,000 branches within their stores, with sub-postmasters running a further 9,000 branches. Annual losses of £30 million in the Crown Network are cited as justification for massive cost-cutting, with government refusing to provide what amounts to a relative pittance to maintain the service.

The Labour government is signalling that relentless market “reforms” pursued under the Conservatives will be completed, part of Prime Minister Sir Keir Starmer’s pledge to be “the most pro-business government in

history.”

When the Transformation Plan was announced by Railton at a meeting with Post Office staff at 9am on Wednesday there was no reference to the closure plans threatening a thousand jobs at Crown offices. Postmasters only found out later in the day as the details were reported to the media.

Railton has plumbed new depths of cynicism in marketing the ending of all state-owned branches as a “New Deal for Postmasters”, pitched specifically to sub-postmasters based on promises of improved remuneration in the fully franchised set-up. This is based on promises to push up average branch pay by around £22,000 after five years according to the FT.

Railton told a press conference on Wednesday, “We can, and will restore pride in working for a business with a legacy of service, rather than scandal.”

The claim that privatising the Post Office and entrenching a franchise model has anything to do with redressing the Horizon scandal is grotesque. The frame-up of more than 900 sub-postmasters for faulty accounting software, designed by Horizon and leased to the Post Office by Fujitsu, was a conspiracy by both Labour and the Conservative governments to protect their partnership with big business. The £1.5 billion IT contract was financed via the private finance initiative (PFI) model introduced by Major’s Conservative government but championed by the Labour governments of Tony Blair and Gordon Brown.

Such parasitic economic and social relations produced the largest miscarriage of justice in UK history. Hundreds of sub-postmasters were wrongly prosecuted and blamed for shortfalls incorrectly shown on the system, driving them into financial ruin and railroading hundreds to prison.

Adding insult to injury—and despite pleading poverty—in May this year the Post Office requested an extension of

the Horizon IT system for another five years, with Fujitsu receiving an extra £180 million government handout from taxpayers.

A YouGov survey of 1,000 sub-postmasters published in September found that seven in ten had experienced an “unexplained discrepancy” linked to shortfalls.

On Monday, European chief executive of Fujitsu, Paul Patterson, told the official inquiry into the Horizon IT scandal that there had been no discussion with the government about what figure the company would contribute towards the compensation of those framed-up over its malfunctioning IT system.

The dawning recognition that there will be no genuine redress under Labour for the industrial scale frame-up of sub-postmasters, and that on one in senior positions in Fujitsu, the government or Post Office will be held accountable, is feeding into growing anger against the cost-cutting and closure of Crown offices by a government that nakedly serves the corporate oligarchy.

Seeking to head off a political confrontation by postal workers, the BBC, Sky News and *Guardian* are heavily promoting Dave Ward, general secretary of the Communication Workers Union (CWU), as a supposed voice of opposition.

Ward stated, “For the company to announce the closure of hundreds of post offices hot on the heels of the Horizon scandal is as tone deaf as its immoral.” He continued, “CWU members are victims of the Horizon scandal and for them to now fear for the jobs ahead of Christmas is yet another cruel attack.”

This is a total fraud on many levels.

The union leadership mounted no struggle of CWU members in the Post Office and at Royal Mail against the mass frame-up of sub-postmasters. The fight to overturn the wrongful convictions and demand compensation was taken up by the Justice for Sub-Postmasters Alliance in 2019 after they had been thrown under the bus by their own association the National Federation of Sub-Postmasters.

The closure of hundreds of Crown post offices is a direct outcome of the CWU’s high-level collusion with privatisation.

The media has amplified Ward’s recent empty bluster, including his call on Labour to come to the rescue and “intervene”.

But Ward’s presentation of Railton’s closure plans as some kind of rogue project has been exposed as myth-making. The *FT* reports that Labour’s postal affairs minister Gareth Thomas has commissioned a separate

review into the Post Office, stating: “We have long held a publicly stated ambition to move to a fully franchised network and we are in dialogue with the unions about future options for DMBs (directly managed branches).”

This “dialogue” between the CWU and the Labour government is aimed at enforcing the dictates of big business against workers.

Among Royal Mail workers, Ward is the discredited lead architect of last year’s sellout national agreement, ending their first national strike in more than a decade. That pro-company agreement ushered in the biggest attack on jobs, terms and conditions in Royal Mail’s history.

This paved the way for a £3.5 billion Royal Mail takeover bid by billionaire Daniel Kretinsky. Ward and other CWU officials have taken part in months of secret “dialogue” with Kretinsky and the Labour government aimed at cementing their partnership in a new “ownership model”.

The Postal Workers Rank and File Committee (PWRFC) has campaigned to mobilise Royal Mail workers against the CWU bureaucracy and its defence of shareholder profits over the fundamental rights of postal workers. The PWRFC has won growing support for a fightback against the system of management intimidation and bullying aided by the CWU and sanctioned by the Falconer Review which stitched-up hundreds of reps and members victimised and sacked during the national strike.

The fight to remove the CWU’s unaccountable bureaucracy requires postal workers to take back control of their struggle and wage a fight against socially destructive drive to maximise profits on behalf of the corporate and financial oligarchy. This must be extended and joined with Post Office staff faced with the brutal austerity agenda of the Starmer Labour government.



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