

# Tesco eyes delivery of Crown Post Office branches

Tesco has expressed interest in acquiring more than 100 Crown Post Offices whose future has been placed under review as the state-owned company explores shifting them to a franchise model.

Sky News has learnt that Nigel Railton, the Post Office chairman, told a group of MPs this week that Britain's biggest retailer had informed it of a potential interest in taking over the sites.

One MP who attended the talks on the future of the directly managed branches said that Mr Railton had given the impression in his remarks that Tesco was among a small number of suitors which could take over the entire 108-strong network.

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The fate of the Crown Post Offices was called into question last autumn as part of a [wider strategic review](#) initiated by Mr Railton, who took over as chair of the company following Henry Staunton's sacking by Kemi Badenoch, the then business secretary.

Collectively, the branches employ close to 1,000 people, with many of those jobs likely to be safeguarded in the event of an acquisition of the whole network by a single retailer.

The meeting between Mr Railton and more than 20 MPs was organised to discuss the future of the directly managed branches, which form a very small part of the wider Post Office network.

Trade union officials have expressed concern about the

company's plans.

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November: Post Office could close 115 branches

Following several enquiries, Tesco eventually responded by saying it would not comment.

A Post Office spokesperson said: "We are fully committed to engaging openly and transparently with MPs regarding any potential plans related to our Directly Managed Branch (DMB) network.

"Since inviting expressions of interest for 108 Post Offices that we currently operate, we have received interest from retail partners and independent postmasters in the hundreds.

"We remain committed to engaging with our trade unions over

the potential future ownership of our Directly Managed Branches, which are loss-making for us, into March before updating our colleagues who work in these branches on any potential next steps.”

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The strategic review outlined in November is designed to bolster sub-postmasters' pay substantially during the coming years.

The loss-making Post Office requires an annual subsidy from the Treasury, with its future called into question as the [Horizon IT scandal](#) continues to sow controversy.

Sky News revealed last year that the Department for Business and Trade had drafted in consultants from BCG to explore

options for turning the Post Office into a mutual.