
From: Scully, Minister (Private Office) [GRO]
Sent: Fri 23/10/2020 10:07:47 AM (UTC)
To: Beal, Eleanor (Advanced Manufacturing and Services) [GRO]; Brooks-White (Jobshare) [GRO]
Cc: Post Office Team [GRO]; Scott, Joshua - UKG [GRO]; McInnes, Tim - UKG [GRO]; Cooper, Tom - UKGI [GRO]; Creswell, Carl (Professional Business Services, Retail & Post Directorate) [GRO]; Scully, Minister (Private Office) [GRO]
Subject: Readout: Minister Scully monthly call with Nick Read, Thurs 22 Oct

Hi all,

Please see below a readout of Minister Scully's call with Nick Read yesterday. There was a lot of discussion, so please do add or amend anything I may have missed or may have captured incorrectly.

Only outstanding action that I have down is on providing Minister with advice or a note on the de minimis payments, as soon as practicable, which Tom spoke about.

Best wishes.
Sonny

Date/time
Thursday 22 October, 10:00-11:00

External attendees (POL)

Nick Read, CEO
Dan Zinner, COO
Richard Taylor, Corporate Affairs
Patrick Bourke, Corporate Affairs
Declan Slater

Government attendees

Tom Cooper, UKGI
Beth White
Tim McInnes, UKGI
Eleanor Beal
Carl Creswell

Note of meeting

STARTS - opening remarks

- Nick gave an overview of the agenda and then handed over to Dan.
- Dan Zinner introduced himself as the new COO at POL. He said that the vision for the Post Office network for the next decade is having the right services in the right places, open at the right times. POL expect that this strategy will have grown the network to over 12000 outlets by 2024. Dan said POL will continue to meet the access criteria, including in rural and urban deprived areas. Dan said post offices will provide the anchor for high street renewal and economic opportunity across the UK. A copy of the slide that Dan shared on the screen is pasted below:

Our vision of a Post Office network fit for the 2020s

Delivering the right services in the right places, open at the right times

Meeting our social obligations to protect access to mails, cash & other essential services across the UK



By 2024 we will have grown the network to over 12,000 outlets for the first time in nearly 15 years



We will continue to meet the access criteria, including in rural and urban deprived areas

Providing the anchor for high street renewal & economic opportunity across the UK



33% of customers stopped at another shop, cafe, pub or restaurant on their last trip to a Post Office, driving an estimated £1.1 billion in additional revenue for these establishments



43% of small businesses say they would not be able to continue functioning without the Post Office – equivalent to a quarter of all jobs in the UK

Establishing the network on a commercial sustainable footing for the decade ahead



On a trajectory to be subsidy free while protecting our £13bn pa value to consumers & small businesses

- Dan said that there will of course be challenges when POL make those changes. He said the strategy is meant to ensure that POL increases service provision. For example, in the Sterling constituency in Scotland, where Alan Smith is the MP, POL will consolidate 4 outreaches into one co-op. This will increase service provision by 20 times, but people might view this negatively as they are losing 3 outreaches. POL estimate that Scotland in the UK will see the biggest decrease in outreach branches, of about 75. But POL expect to see an increase in the number of hours that the service provides. Sticking with the Sterling example, Dan said that residents would have to go the area where central consolidated branch will be anyway in order to do their shopping etc. Dan said that Wales and Northern Ireland will also lose about 25 outreach branches each.
- Minister said that, speaking as a constituency MP, it's less to do with bricks and mortar and more to do with the accessibility part of the network (i.e. how far someone needs to travel). Minister said that you can make the argument that if Scotland, Northern Ireland and Wales are going to go down in numbers and that there are new branches in England, that's a difficult discussion to have politically.
- Dan said that, on the need to travel, POL will always meet the national access criteria and that there will always be outreaches. Dan said that there will probably be around 700-750 legacy and outreaches (c 250 legacy and 500 outreaches). Dan said that in the Sterling example he gave, POL still meets the national access criteria, but just reduces the number of outreach branches.
- Minister asked if POL have done any surveys to test public opinion and mood on this in the areas that would be affected. Dan said that the public talk about convenience. Dan said convenience is partly about location but also about hours. Outreach branches being open for 1 hour don't always suit people, e.g. those who are working long hours. Nick Read said that the two core criteria are 99% of UK population being within 3 miles of a post office, and 90% being within 1 mile of a post office. Nick said that the reality is that there will be people who find the convenience of consolidating 4 branches into a single site to be quite appealing, but others may not find this appealing. Nick said that POL are still in the broad canvas stage and need to get down into the nitty gritty. Nick said he knows POL will need to think very carefully about people in more rural, remote areas.

- Minister said that certain people will want sites that open longer hours to work around their work and lifestyles. Older and more vulnerable people may value regularity and certainty over the length of opening hours. Minister acknowledges that there will be winners and losers, but said it's important to have done the proper consultation to get to that point.
- Dan said noted the Minister's points. Dan said that challenge is that, with new lockdowns, POL will need to put in more outreaches to meet the access criteria. POL don't necessarily need those outreaches to hit demand; they just need the outreaches to hit the criteria figure. Nick said POL are doing some work on understanding where the shielding issues are and looking at more ways that POL can help, not just putting in additional outreaches.
- Minister asked about the actual services provided in a post office branch. Dan said that access to cash, mail services, USO obligations and bill services are all elements of what the Post Office will offer. Dan said that no Post Office will ever not meet the national access criteria. However, POL are proposing the definition of a post office branch to be based on the postal services piece, i.e. USO obligations.
- Minister noted that Nick Read/POL are still talking to Minister Guy Opperman in DWP on POCa. Minister asked where POL is at on payment facilities. Dan said that even where will be a post office as defined as postal services, there will likely be bill payment facilities. However, Dan said there may be some branches that don't require the access to cash element, e.g. because there is an ATM just down the road.
- Minister asked where POL sit on working with organisations like LINK. Nick Read said that POL are trialling new branch hubs where customers can pay bills that also provide banking service. POL are looking at putting in new automated systems around cash and are exploring whether branches can have self-service deposit machines etc. Nick expects POL will have nine pilots up and running by start of the new year. Nick said POL are very open minded to the banking services that branches might be able to offer and that POL still see banking as core to its strategy overall. Nick said POL fully recognise that if POL going to pitch its role as an infrastructure provider, then it needs to provide infrastructure services; providing cash is a core element of that. Nick said he recognised that there has been a massive acceleration in the use of cash throughout Covid and that POL, in particular, need to look at automation and security as part of the access to cash offer.
- Minister asked where Barclays are in all of this. Nick said he met all the CEOs of big banks over past 2-3 months. Nick said that the banks are on side - POL will enable them to reduce cost and enable them to provide cash to their customers. When they engage with the banking regulator, the banks can point to POL as being a sensible and convenient alternative. Nick said Barclays are being difficult but don't think they will be difficult forever. Carl said Barclays are involved in the banking framework now, and that POL will need to enter those negotiations carefully, as indeed POL are planning to do.
- Minister said the wider principle around post offices being able to offer banking services in town adds to social value of community, but the Minister recognised that how POL achieve it is POL's operations and not for Government to dictate. Nick said that in the three towns where POL are building the hub, the postmaster is running a post office up the road; from a remuneration point of view, POL are making sure that that postmaster is not disadvantaged.
- On POCa, Nick Read said that DWP are still keen to wrap this up in 2021 and introduce a voucher system. POL are against this idea as they don't think it will be advantageous for the 300k customers who are remaining. POL colleagues are still trying to engage with DWP officials but Nick Read will likely end up writing to DWP SoS to ask whether they can explore block migrate customers to one of the big four branches. Nick said he will pick up with Carl later.
- Minister said that on the SR, this is moving to 1 year. Minister appreciated all the work POL have done on the SR, but asked for Nick's thoughts on the move from 3 years to 1 year. Nick said he has spoken to Carl and other Board colleagues about this. POL think they are an infrastructure asset for Govt, and so are keen to push for an exemption. A 3 year funding settlement will give confidence to invest in network and infrastructure. Nick said POL's plans could be compromised if only given a 1-year deal.
- Dan said growth in the network will come from retail partners. POL spend around £28m a year on postmaster churn, and Dan said that's only going to only grow if don't have flexibility.

- Dan asked if the Minister wanted any more information or would like to discuss anything in further meetings. Minister said that it's important for him to keep close to POL's conversations and thoughts, as that helps him to explain things to colleagues in Parliament.
- Nick said that union negotiations are 'interesting' and that he is slightly mired with pay reviews. Nick said that POL are not really able to have sensible conversations with unions until they resolve those negotiations sticking points. CWU are relatively entrenched and looking for something in the region of 2.5% increase. Nick has another round of negotiations in around 10 days' time (i.e. end Oct/start Nov), but may end up imposing pay award on CWU colleagues. Minister asked if this is getting in the way of wider conversations on modernisation and network plans. Nick said CWU's agenda is focused on the DMB. Nick said that NFSP has a very defined role; Calum (NFSP) and Nick have constructive discussions now. Nick said that progress on having representation of postmasters on the board is going well. NFSP seem to be on board with this.
- Nick moved onto talking about the Horizon Inquiry and gave an overview of his meeting with Sir Wyn. Nick finds him very affable and very engaging. Nick said that, if he were to take step back, he is concerned that Sir Wyn has not grasped the scale and magnitude of the stakeholders involved. Sir Wyn said he's keen to make the process as open and transparent as possible. Nick said Sir Wyn is making an announcement soon on his approach to stakeholder engagement - key takeaway for Nick is that Sir Wyn is absolutely clear that it's about the current and the future. Nick said that Fujitsu said they're going to be cooperative, but Sir Wyn said may need Nick's help to unlock the Fujitsu situation. Sir Wyn said still hadn't been able to get Alan Bates to engage with him. Minister said he was disappointed that Alan Bates won't engage, noting that he had had a conversation with him a couple of weeks ago. At the time, Alan said he'd be happy to speak with Sir Wyn. Declan added that Nick and Declan came in after the Horizon scandal, said neither Nick nor Declan have nothing to hide and are committed to helping Sir Wyn progress the Inquiry. Minister noted and said it's important to show constant progress.
- Minister asked for a quick update on CCRC. Declan said magistrate cases are going to crown court of appeal. Decision is expectedly shortly. POL will immediately engage with 6 cases if they are overturned and will try to head off malicious prosecution. Declan said POL will look at how well they can mediate those 6 cases as a test case of how to handle the other cases. Tom Cooper said he agreed with the sentiment but there's a lot to discuss in the approach around managing these cases, which will be discussed at the board meeting later. Tom said that it's not just a board issue as it involves approvals and funding. POL have been giving interim payments of up to £10k on the schemes. Increasing amount of noise in the system, e.g. calls and emails.
- Tom Cooper said that POL want to unblock de minimis payments on the HSS scheme. That would need approval from Govt. The other issue is wrongful trading for the directors, as if POL start making payments under the scheme but don't have the funding to complete it, then that could put directors in a tricky situation. **Minister said if can get the information on the de minimis case as soon as possible so that he can look at that.**
- Carl said that BEIS will work with POL and UKGI to facilitate as quickly as possible, but that control considerations and financial considerations with BEIS Finance and HMT need to be worked through. As POL are now looking at funds in the region of £100m-£200m, that is very different to original advice that went to Ministers and Perm Sec previously. Declan said that virtually all 2000 have gone through the eligibility test. Declan said funding element is vital to progressing to the next stage.
- *All attendees left the call, apart from Minister and Nick Read (and the PS) to discuss a sensitive issue. No readout will be provided or circulated on this.*

ENDS



Department for
Business, Energy
& Industrial Strategy

Sonny Murphy

Private Secretary to Paul Scully MP

Minister for Small Business, Consumers & Labour Markets | Minister for London

Tel:

 | Mobile:

Department for Business, Energy and Industrial Strategy

From: Beal, Eleanor (Advanced Manufacturing and Services) <[redacted]>
Sent: 21 October 2020 16:30
To: Scully, Minister (Private Office) <[redacted]>; Brooks-White (Jobshare) <[redacted]>
Cc: Post Office Team <[redacted]>; Scott, Joshua - UKGI <[redacted]>; McInnes, Tim - UKGI <[redacted]>; Cooper, Tom - UKGI <[redacted]>; Creswell, Carl (Professional Business Services, Retail & Post Directorate) <[redacted]>
Subject: RE: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm Thurs 1st Oct

Dear Sonny,

With thanks for accepting a slight extension to the deadline, please find attached a briefing for the Minister's meeting with Nick Read tomorrow morning. The Briefing covers quite a few substantive issues so we'd advise the Minister to read in advance if at all possible.

For others on the chain to note – **Dan Zinner also now joining for POL.**

Best,
Eleanor

From: Scully, Minister (Private Office) <[redacted]>
Sent: 12 October 2020 11:57
To: Brooks-White (Jobshare) <[redacted]>; Beal, Eleanor (Advanced Manufacturing and Services) <[redacted]>
Cc: zz_Wilson, William (Professional Business Services, Retail and Post) <[redacted]>; Post Office Team <[redacted]>; Scott, Joshua - UKGI <[redacted]>
Subject: RE: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm Thurs 1st Oct

Hi Eleanor / Beth,

The meeting with Nick Read has now gone in the diary for 22nd October, 10 – 11am.

Please could you pick up the briefing again, and provide to private office by **4pm, Wednesday 21st October?**

Many thanks.
Sonny



Department for
Business, Energy
& Industrial Strategy

Sonny Murphy
 Private Secretary to Paul Scully MP
 Minister for Small Business, Consumers & Labour Markets | Minister for London
 Tel: [redacted] | Mobile: [redacted]
minister.scully@beis.gov.uk | [redacted]
 Department for Business, Energy and Industrial Strategy

From: Brooks-White (Jobshare) <[REDACTED]>
Sent: 01 October 2020 14:56
To: Scully, Minister (Private Office) <[REDACTED]>; Beal, Eleanor (Advanced Manufacturing and Services) <[REDACTED]>
Cc: Wilson, William (Professional Business Services, Retail and Post) <[REDACTED]>; Post Office Team <[REDACTED]>; Scott, Joshua - UKGI <[REDACTED]>
Subject: RE: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm Thurs 1st Oct

Thanks Sonny, we'll pause our briefing.

Regards

Beth

Beth White and Eleanor Brooks

Beth: [REDACTED]

Eleanor: [REDACTED]

From: Scully, Minister (Private Office) <[REDACTED]>
Sent: 01 October 2020 14:43
To: Beal, Eleanor (Advanced Manufacturing and Services) <[REDACTED]>
Cc: Wilson, William (Professional Business Services, Retail and Post) <[REDACTED]>; Post Office Team <[REDACTED]>; Scott, Joshua - UKGI <[REDACTED]>; Scully, Minister (Private Office) <[REDACTED]>
Subject: RE: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm Thurs 1st Oct

Hi all,

Sincere apologies for this but we'll likely need to postpone the Minister's catch-up with Nick Read tomorrow until w/c 12th October due to other commitments that the Minister has in the morning. Our diary manager is reaching out to Nick Read's PA now to reschedule.

As such, please hold fire on sending up the finalised briefing. I'll let you know as soon as possible when the meeting is rescheduled for.

Kind regards,
Sonny



Department for
Business, Energy
& Industrial Strategy

Sonny Murphy

Private Secretary to Paul Scully MP

Minister for Small Business, Consumers & Labour Markets | Minister for London

Tel: [REDACTED] | Mobile: [REDACTED]

[minister.scully@\[REDACTED\]](mailto:minister.scully@[REDACTED]) | [REDACTED]

Department for Business, Energy and Industrial Strategy

From: Scully, Minister (Private Office)
Sent: 29 September 2020 15:57

To: Beal, Eleanor (Advanced Manufacturing and Services) <[REDACTED]>
Cc: Wilson, William (Professional Business Services, Retail and Post) <[REDACTED]>;
Post Office Team <[REDACTED]>; Scott, Joshua - UKGI <[REDACTED]>
Subject: RE: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm
Thurs 1st Oct

Great, thank you.

Sonny



Department for
Business, Energy
& Industrial Strategy

Sonny Murphy

Private Secretary to Paul Scully MP

Minister for Small Business, Consumers & Labour Markets | Minister for London

Tel: [REDACTED] | Mobile: [REDACTED]
[REDACTED] [REDACTED]

Department for Business, Energy and Industrial Strategy

From: Beal, Eleanor (Advanced Manufacturing and Services) <[REDACTED]>
Sent: 29 September 2020 15:52
To: Scully, Minister (Private Office) <[REDACTED]>
Cc: Wilson, William (Professional Business Services, Retail and Post) <[REDACTED]>;
Post Office Team <[REDACTED]>; Scott, Joshua - UKGI <[REDACTED]>
Subject: RE: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm
Thurs 1st Oct

Hi Sonny,

Sure. Not 100% confirmed, but from our side it should be:

- Beth White, Deputy Director, Post Office Policy
- Tim McInnes, Executive Director, UKGI

Best,
Eleanor

From: Scully, Minister (Private Office) <[REDACTED]>
Sent: 29 September 2020 15:42
To: Beal, Eleanor (Advanced Manufacturing and Services) <[REDACTED]>
Cc: Wilson, William (Professional Business Services, Retail and Post) <[REDACTED]>;
Post Office Team <[REDACTED]>; Scott, Joshua - UKGI <[REDACTED]>; Scully,
Minister (Private Office) <[REDACTED]>
Subject: RE: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm
Thurs 1st Oct

Hi Eleanor,

I hope you're well.

Another quick question regarding the Nick Read catch-up on Friday. Nick Read's PA is asking who the attendees will be from our side. Could I have a list of expected attendees (no matter if not 100% confirmed) so that I can reply to Nick's PA this afternoon / tomorrow morning?

Many thanks,
Sonny



Department for
Business, Energy
& Industrial Strategy

Sonny Murphy

Private Secretary to Paul Scully MP

Minister for Small Business, Consumers & Labour Markets | Minister for London

Tel: [GRO] | Mobile: [GRO]

minister.scully@ [GRO] [GRO]

Department for Business, Energy and Industrial Strategy

From: Scully, Minister (Private Office)

Sent: 23 September 2020 16:35

To: Beal, Eleanor (Advanced Manufacturing and Services) <[GRO]>

Cc: Wilson, William (Professional Business Services, Retail and Post) <[GRO]>;

Post Office Team <[GRO]>; Scott, Joshua - UKGI <[GRO]>

Subject: RE: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm
Thurs 1st Oct

Hi Eleanor,

Many thanks for this. Just to confirm that I've sent this across to Nick Read's office.

Kind regards,
Sonny



Department for
Business, Energy
& Industrial Strategy

Sonny Murphy

Private Secretary to Paul Scully MP

Minister for Small Business, Consumers & Labour Markets | Minister for London

Tel: [GRO] | Mobile: [GRO]

minister.scully@ [GRO] [GRO]

Department for Business, Energy and Industrial Strategy

From: Beal, Eleanor (Advanced Manufacturing and Services) <[GRO]>

Sent: 23 September 2020 16:23

To: Scully, Minister (Private Office) <[GRO]>

Cc: Wilson, William (Professional Business Services, Retail and Post) <[GRO]>;

Post Office Team <[GRO]>; Scott, Joshua - UKGI <[GRO]>

Subject: RE: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm
Thurs 1st Oct

Hi Sonny,

As discussed, see below for a proposed agenda for the Minister's meeting with Nick Read next Friday (2nd).
Briefing to follow next week.

Agenda

- Horizon Review
- Litigation

- update from POL following their 2 October response to the Court of Appeal
- Historical Shortfall Scheme
- Spending Review
 - Update on POL's thinking on changes to the network (following on from previous discussion)
- POL commercial decisions
 - Telecoms
- Postmaster NED
- AOB

Best,
Eleanor

From: Brooks-White (Jobshare) <[redacted]>
Sent: 23 September 2020 16:02
To: Beal, Eleanor (Advanced Manufacturing and Services) <[redacted]>
Cc: Wilson, William (Professional Business Services, Retail and Post) <[redacted]>
Subject: FW: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm
Thurs 1st Oct

From: Scully, Minister (Private Office) <[redacted]>
Sent: 22 September 2020 12:05
To: Wilson, William (Professional Business Services, Retail and Post) <[redacted]>
Cc: Post Office Team <[redacted]>; Scott, Joshua - UKGI <[redacted]>;
Scully, Minister (Private Office) <[redacted]>
Subject: RE: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm
Thurs 1st Oct

Hi Will,

We've just received the attached from Nick Read's PA, asking if there are any specific requests or updates that we want included on the agenda for the monthly catch-up on 2nd October.

Could you get back to me **by COP tomorrow** with some suggested agenda items, please?

Kind regards,
Sonny



Department for
Business, Energy
& Industrial Strategy

Sonny Murphy

Private Secretary to Paul Scully MP

Minister for Small Business, Consumers & Labour Markets | Minister for London

Tel: [redacted] | Mobile: [redacted]

[minister.scully@\[redacted\]](mailto:minister.scully@[redacted]) [redacted] [redacted]

Department for Business, Energy and Industrial Strategy

From: Wilson, William (Professional Business Services, Retail and Post) <[redacted]>
Sent: 21 September 2020 16:59
To: Scully, Minister (Private Office) <[redacted]>
Cc: Post Office Team <[redacted]>; Scott, Joshua - UKGI <[redacted]>
Subject: RE: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm

Thurs 1st Oct

Hi Sonny – this has been picked up and I'll be leading on the briefing.

Thanks,

Will

William Wilson (BEIS) | Post Office Policy | GRO

From: Scully, Minister (Private Office) <GRO>
Sent: 18 September 2020 18:13
To: Post Office Team <GRO>; Scott, Joshua - UKGI <GRO>;
Desai, Meet - UKGI <GRO>
Cc: Scully, Minister (Private Office) <GRO>; SpAds Office (Private Office)
<GRO> Cutting, Nicola (Communications & Partnerships)
<GRO>; Mckay, Jessica (BEIS) <GRO>; Creswell, Carl
(Professional Business Services, Retail & Post Directorate) <GRO>; Cooper, Tom -
UKGI <GRO>; McInnes, Tim - UKGI <GRO>; Brooks-White
(Jobshare) <GRO>
Subject: COMMISSION: Minister Scully monthly call with Nick Read, CEO of POL. DEADLINE: 4pm Thurs
1st Oct

Hi all,

Minister Scully's next catch up with Nick Read has been scheduled for Friday, 2nd October, 0900-0930 via MS Teams.

As such, I would be grateful if you could provide briefing for this meeting using the attached template by **Thursday, 1st October, 4pm** including the following:

- Attendees
- Purpose
- Agenda
- Points to make (divided by agenda item)
- Relevant Context (including any recent correspondence)
- Biographies

Please could you confirm this commission has been picked up, let me know which official will be leading on the briefing and share names of those who will be on the call so that we can provide MS Teams details.

If you have any questions, do get in touch.

Best wishes,
Sonny



Department for
Business, Energy
& Industrial Strategy

Sonny Murphy

Private Secretary to Paul Scully MP

Minister for Small Business, Consumers & Labour Markets | Minister for London

Tel: GRO | Mobile: GRO
minister.scully@beis.gov.uk | GRO | GRO

Department for Business, Energy and Industrial Strategy

