

Post Office Limited**SEG*/GE Tactical meeting**

7 February 2024, 11.15 to 13.15hrs

100 Wood Street

Present: Nick Read (from 12.00), Owen Woodley, Karen McEwan, Chris Brocklesby, Ben Foat, Chrysanthy Pispinis, Asha Patel (deputising for the CFO)		
Other attendees: Alison Hoyland (Deputy Company Secretary). Other attendees as shown against agenda items.		
Apologies: Al Cameron, Kathryn Sherratt		
Topic (Decision/Discussion/Noting)	Action owner	Deadline
*Meeting status Pending the formal establishment of the Strategic Executive Group (SEG) under the new leadership structure, the GE meeting was held with a sub-set of GE attendees. The meeting was quorate.		
1. Pre-discussion SEG/GE <ul style="list-style-type: none">CB noted the current position with Fujitsu in relation to contract extension plans and the dependencies at play.OW noted the need to draw up plans for an alternative approach – with critical ‘drop dead’ dates clearly signposted.CB remained concerned at the prospect of an alternative – both in terms of a suitable provider and timelines as against the NBIT programme.NR was meeting with DBT that day, so would raise it and check where DBT was in relation to the assurances that Fujitsu was seeking from Government.		
2. Actions SEG/GE SEG noted progress against actions and agreed those marked for closure.		
3. FY2024/25 Trading Budget v FY2023/24 Outturn Asha Patel (via Teams) AP spoke to the update she had circulated prior to the meeting. Key points of note were: <ul style="list-style-type: none">GE noted the latest assumptions, ahead of an updated view due to be shared later in the week.It would be important for the Board (not least for new NEDs) to understand the changing context and reducing		

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<p>revenue position, compared to previous years.</p> <ul style="list-style-type: none">– GE discussed a number of the assumptions, including those on colleague pay and Postmaster remuneration.– In relation to cost saving challenge, GE noted that it may be necessary to mandate no increases in headcount; aligned to this, KMcE noted the role of the central people function in providing oversight and central management of people costs. The restructured people team would have an OD function.– GE agreed reducing consultancy spend should be included. <p>Actions:</p> <ul style="list-style-type: none">– Pay increases and position on range discussed with unions to be checked and narrative for negotiations to be determined, including against the current context and 2024/25 outlook.– People function to have central oversight of people budgets to maintain a view of cost savings target, once determined.– Consultancy spend and savings opportunity to be included for pre-Board review at SEG.		
<p>4. Project Phoenix/Past Roles Verbal Update</p> <p>Nicola Marriott, Laurence O'Neill, Patrick Quinn</p> <p>Nic Marriott, Laurence O'Neil and Patrick Quinn joined the meeting to provide a verbal update.</p> <p>Key points of note were:</p> <ul style="list-style-type: none">• NM noted the distinction between Project Phoenix (where allegations of wrongdoing were concerned) and Past Roles Review, where no such allegations had been made, and where the review was focussed on determining any conflicts or potential conflicts as between certain previous and current roles.• NM noted the latest position in relation to Past Roles Review, where 35 colleagues had been deemed to be RED. 4 RED-rated colleagues were deemed to be high risk; 2 had been through the panel review, with recommendations to re-deploy and the other 2 were due to go to the panel soon, where recommendations for redeployment were also the expected outcome.• NR asked how it was that the RU had 35 RED rated colleagues; NM explained that the resourcing decisions at the time had likely been based on a need for requisite knowledge; the lens being applied now had not been envisaged, but arguably it should have been. That said, NM emphasised her earlier point, that the individuals had not been implicated in any wrongdoing, then or now.• On project Phoenix, there were 6 people against whom there had been specific allegations of wrongdoing.		

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<ul style="list-style-type: none"> POL had been engaging Postmasters and legal representatives to determine the facts and the basis for any disciplinary/misconduct steps, as proved necessary. NM noted the prospect that no findings of misconduct would be made and the difficult position this would present – where there were competing dependencies and interests including the expectations and conviction of those who had made the allegations, the proceedings of the POHIT Inquiry and the individuals themselves who deserved fair treatment if they had done nothing wrong. GE noted that there were also wider historic organisational and cultural issues being brought to the fore and which would also likely be subject to close external scrutiny. GE agreed that another lens to be applied beyond any allegations of an historical nature, should be how individuals presented themselves at the Inquiry, though it noted the difficulties and dependencies in this regard too. GE agreed that the panel recommendations should go to KMcE and OW to make any final decisions on the outcome and any necessary misconduct/disciplinary action that should be taken. <p>Action:</p> <ul style="list-style-type: none"> Rationale and approach to resourcing the Remediation Unit from inception to be established and documented. 		
<p>5. Postmaster NED Recruitment: selection process and criteria</p> <p>Tracy Marshall</p>		
<p>Tracy Marshall joined the meeting and provided a verbal update on PM NED recruitment.</p> <p>Key points of note were:</p> <ul style="list-style-type: none"> POL's Nomination Committee and the Shareholder had approved a staggered approach to the PM NED recruitment process, extending the term of one of the current PM NED roles to June 2025. The delays had since necessitated the need to consider extending the other current NED term by three months to September 2024. This would be subject to Nomco and Shareholder approval later in February and the recruitment would launch thereafter. Which NED stood down in September 2024 and which in June 2025 remained subject to decision. TM spoke to the criteria for the new PM NED search and the lessons that had been learned from the last recruitment. <p>Action:</p>		

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<ul style="list-style-type: none"> Update on how lessons learned have been reflected in process and how due diligence on propriety and expected behaviours will be scrutinised and tested. 		
6. Items for noting, no presentation		
<p><i>FOIA Update</i> GE noted the FOIA update and request of particular note.</p> <p><i>Economic Crime & Corporate Transparency Act</i> GE noted the paper and agreed the establishment of a working group to inform the position and a substantive paper and discussion at a GE in due course.</p> <p>Action:</p> <ul style="list-style-type: none"> Analysis and plan to come to GE for further discussion, once complete. 		
7. AOB		
<ul style="list-style-type: none"> GE noted the current position in relation to the POHIT Inquiry and considered duty of care and support needs for staff – both those appearing as witnesses, but also more broadly given the difficult and distressing matters being discussed. Inquiry Witnesses: duty of care/support would come back to GE the following week. <p>There being no other business, the meeting ended at 13.00.</p>		