



UK Government  
Investments

# Shareholder NED Induction Pack POL NEDs

15 September 2021





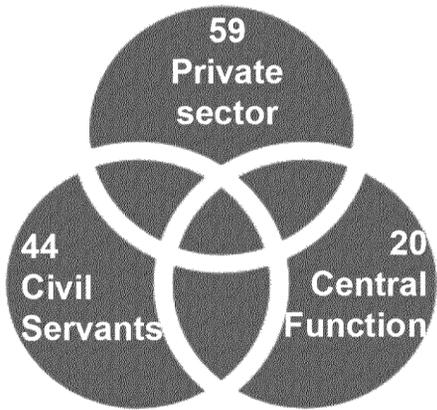
## Agenda

- UKGI
- Optimising the use of ALBs in specialised delivery
- Enhancing government as an effective owner/ shareholder
- The importance of capable and strong sponsorship
- BEIS / UKGI ways of working
- UKGI team responsibilities
- Post office – UKGI team structure
- Post office – BEIS team structure



# UK GOVERNMENT INVESTMENTS

Government's centre of excellence in corporate finance and governance



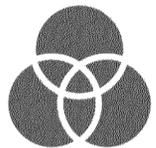
## Who we are

- Over 120 experts with **deep specialist expertise in corporate governance, asset realisations, corporate finance and government**
- Higher ratio of senior to junior staff compared to other Whitehall groups: CEO, 10 Directors, 26 Executive Directors, 37 Assistant Directors
- Keep our private sector expertise fresh with secondees from IRRELEVANT

**IRRELEVANT**

## What we do

- **Governance:** act as shareholder for, and lead the establishment of, HMG arm's length bodies; advise on governance issues to other government departments
- **Corporate Finance:** provide commercial, restructuring, contingency planning and insolvency advice in the case of potential and actual interventions by HMG
- **Asset Realisations:** prepare and execute all significant corporate asset sales by HMG
- **Managing fiscal risk:** provide expertise to manage assets acquired during Covid-19 as a portfolio through the creation of the Covid Interventions Resolution Group and a new contingent liability central capability to monitor and analyse the total risk HMG is exposed to



## How we do it

- Operating across HMG on some of its most important and complex situations

# OPTIMISING THE USE OF ALBs IN SPECIALISED DELIVERY



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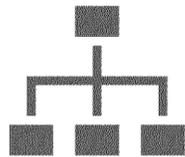
Where government does deliver through an ALB it must optimise the set-up of, and interface with, that ALB in order to enable its success. The policy, legislative and funding frameworks must be right, and there must be clarity on how government interacts with the ALB

- In the case of ALBs with a specialised delivery function, there are critical success factors across seven key areas for practitioners to consider



**1**

Clear  
**purpose**  
and  
**objectives**



**2**

Clear  
**accountabilities** for the  
ALB board,  
department  
and Senior  
Responsible  
Owners



**3**

Capable  
and strong  
**sponsorship** of the  
ALB



**4**

Appropriate  
**capability**  
and  
**capacity**  
within the  
ALB



**5**

Proportionate  
government  
**delegations**  
and **controls**



**6**

Transparency,  
and effective  
**management**  
**information,**  
**assurance**  
and **risk**  
**systems**



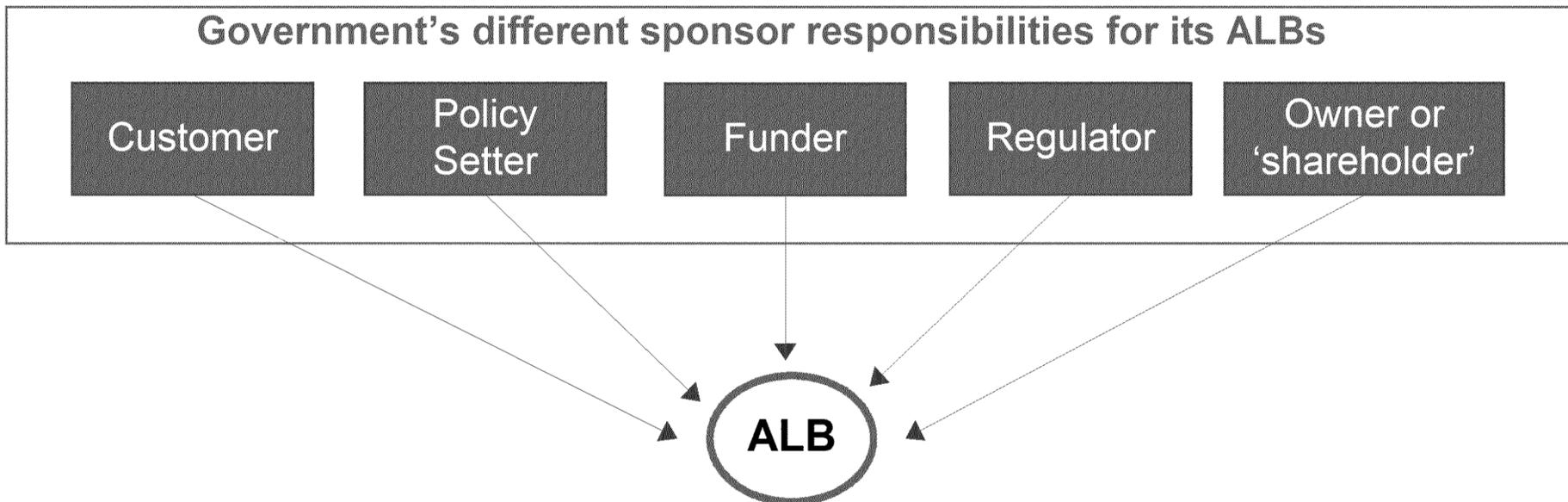
**7**

Constructive  
and  
**appropriate**  
**behaviours**  
between  
government  
and the ALB



# ENHANCING GOVERNMENT AS AN EFFECTIVE *OWNER-SHAREHOLDER*

- Government as owner has a number of sponsor responsibilities: customer, policy setter, funder, regulator, and owner / shareholder – **the success of an ALB will depend in part on government fulfilling these responsibilities effectively** and with the right capabilities
- Differentiating between the responsibilities effectively can also **help to surface natural tensions**, and so **enable better decision-making**



- **Behaviours and expectation-setting on both sides are extremely important to shaping performance and accountability; these need to be constantly maintained**



# THE IMPORTANCE OF CAPABLE AND STRONG SPONSORSHIP

- Government as *shareholder* should seek to have ALBs which are **high performing organisations**.
- UKGI acts as a **proactive shareholder** on behalf of sponsor departments, promoting ALBs' **organisational performance** across key functions

Challenge and support  
the ALB's performance as an organisation

**Effective objectives, business planning, and performance** against business plan

**Effective leadership** – high quality board and senior management

**Strong ALB governance systems** supporting organisational performance

**Effective relationships** between the department and ALB

**Experienced shareholder non-exec director** on ALB board

Establish and maintain appropriate and effective **corporate governance foundations** which govern the department-ALB relationship



# SHAREHOLDER PRIORITIES FOR 21/22

Each year the shareholder sets the priorities for the POL Chair in the annual Chairs letter. Performance against this forms part of the Chair's annual appraisal.

In March 2021 the Perm Sec shared the following priorities for the year:

1. Fully engaging with the **Post Office Horizon IT Inquiry**
2. Working towards **resolving historic litigation issues**
3. **Prioritise cultural change**; in particular building a more productive relationship with **postmasters**
4. Successfully deliver on the **Annual Plan for 2021/22**
5. Develop the company strategy into a coherent **Strategic Plan** as part of the Spending Review for funding beyond 2021/22
6. Build a **diverse Board** with the required capacity and capability



# UKGI HISTORICAL MATTERS PRIORITIES

1. **Post Office Horizon IT Inquiry**
2. **Historic litigation issues:**
  1. GLO and 555
  2. HSS
  3. Criminal convictions
  4. Starling
  5. Legal costs
  6. HMU organisation
  7. Postmaster detriment



# BEIS / UKGI WAYS OF WORKING

## **UKGI is responsible for:**

- Financial and network monitoring
- Appointments and remuneration
- Governance
- Litigation monitoring

## **BEIS are responsible for:**

- Policy e.g. access to cash, social purpose
- Stakeholder management e.g. NFSP
- Correspondence and briefings

**Joint team on SR** to balance responsibilities



# UKGI TEAM RESPONSIBILITIES

The UKGI POL Shareholder team is split into two teams that work closely with a BEIS POL Policy team and lead on distinct areas:

## Business As Usual

- Corporate Governance
- Network
- Appointments and Remuneration
- Business Performance & Planning



## Litigation

- Historical Shortfall Scheme
- Post Office Horizon IT Inquiry
- Convicted Postmasters





# BEIS TEAM RESPONSIBILITIES

BEIS leads on Government's long-term approach to POL and ensuring that POL's activity is consistent with wider government policy. The BEIS Post Office team is split into 3 teams:

## Policy

- Policy oversight
- HMG's policy framework for POL
- Cross cutting Government policy
- Parliamentary business relating to POL
- Stakeholder management

## Horizon issues and Compensation

- Historical Shortfall Scheme
- Overturned Criminal Convictions compensation (interim payments & full settlements)

## Inquiry

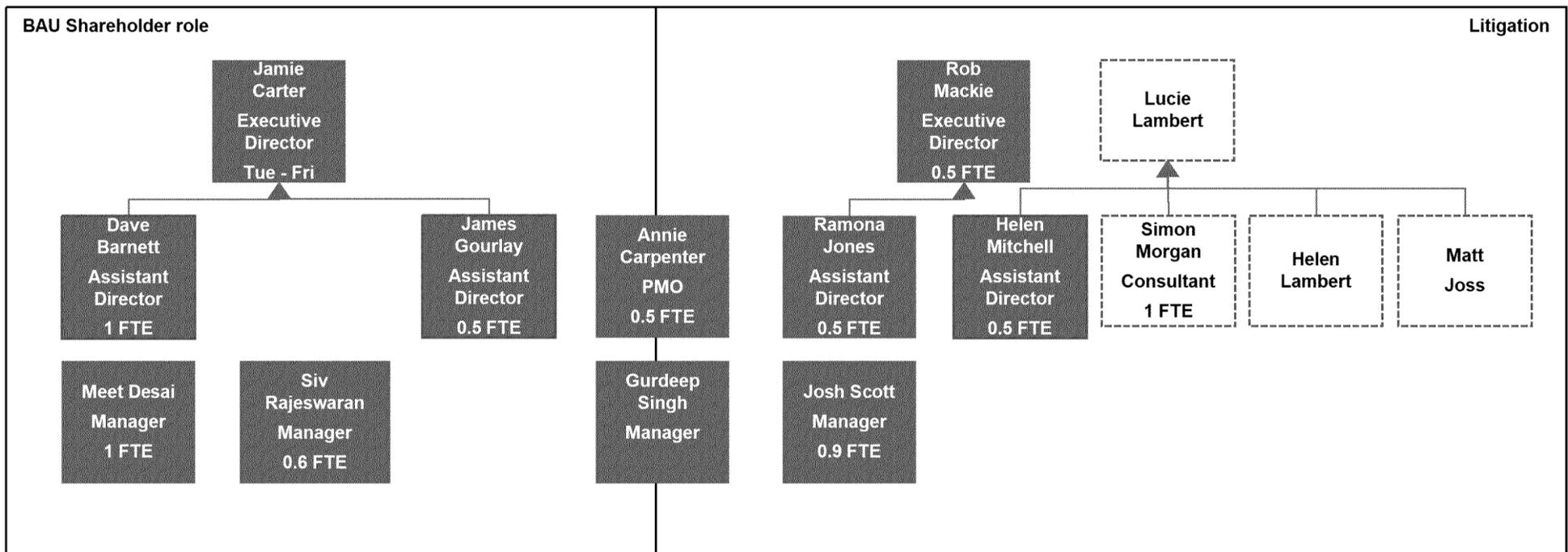
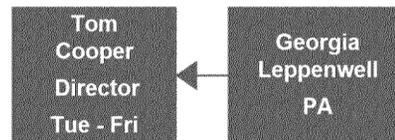
- Sponsoring the Williams Inquiry into the Horizon scandal (setting TOR etc)
- Supplying BEIS evidence to the inquiry



# POST OFFICE – UKGI TEAM STRUCTURE

Last updated: 10 September 2021

Key: **POL team**  
**Legal resource**





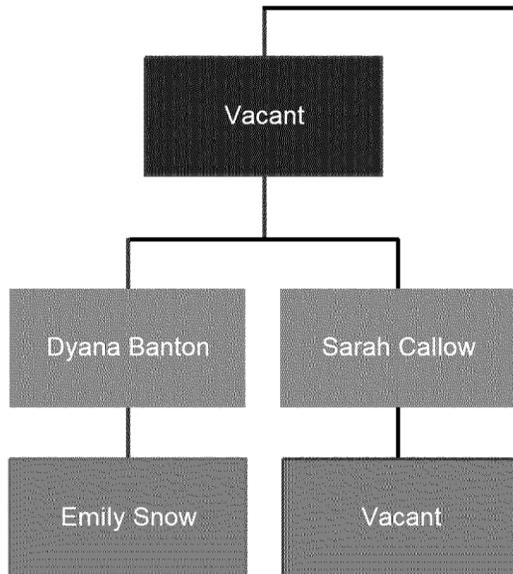
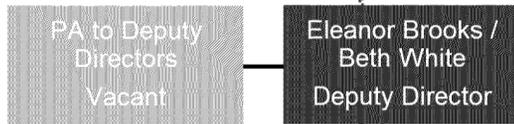
# POST OFFICE – BEIS TEAM STRUCTURE



## Compensation

## Policy and oversight

## Inquiry



*Inquiry sponsorship*

