

**Post Office Limited
GE Tactical meeting**

3 August 2022, 11:00 – 12:15 hrs
Finsbury Dials

Present: Nick Read (Chair), Ben Foat, Lee Kelly, Martin Roberts, Zdravko Mladenov, Richard Taylor, Tim McInnes,		
Other attendees: Rachel Scarrabelotti (Company Secretary) Other attendees as shown against agenda items.		
Apologies: Al Cameron (Kathryn Sherratt deputising), Owen Woodley (Ed Dutton deputising), Angela Williams (Lee Kelly deputising)		
Topic (Decision/Discussion/Noting)	Action/ Output (if applicable)	Deadline & Reporting Requirements (if applicable)
Pre-discussion		
<p>NR advised as follows:</p> <ul style="list-style-type: none"> • BF would introduce the context of the why as well as the how for the CIU, and also how we were going to position this with colleagues and postmasters. As a government owned organisation implementing the CIU was something that we needed to do; • NB would speak about the 3 year plan to ensure that we were all on the same page. It was going to be a tricky few weeks working through this ahead of Board and NR was anxious about this; • NR was due to meet the proposed new Chair of the Board this afternoon. The candidate initially appointed had withdrawn. This was deeply frustrating and it was currently unclear what the next steps were. This information was not for further sharing; • The FOIA application in relation to the Chairman’s Report had been a topic of conversation for the GE the last few weeks. No. 10 were still reviewing on this. NR was very conscious of the legal obligation on POL to disclose, although BEIS may feel uncomfortable about this. NR had requested that C Creswell reply to us within 48 hours on the position; • On the good news side trading was steady and we were up. What we needed to do however was to ensure that where we were generating income and where we were not, that this flowed through appropriately to balance remuneration for PMs; • We were managing a relatively emotional time for PM’s. The Voice of the PM group had risen to around 500 members, and they were speaking about closing their branches and striking. NR queried what do we could do and questioned whether we could bring forward some promises. NR noted that the Voice of the PM group had raised other things that were irritants that we should have resolved some time ago, however we were working with urgency and action now; 		

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<ul style="list-style-type: none"> Over the next few months we needed to get on the front foot more with our employees and PMs and look at how we were positioning ourselves, so once we got to October and things were getting a bit hairy we could feel that we had been on the front foot for awhile. 		
<p>Investigations Sarah Gray and John Bartlett</p>		
<p>SG and JB joined the meeting at 11:10. Key discussion points were as follows:</p> <ul style="list-style-type: none"> NR advised that he wanted to understand the proposed how of the CIU, and to understand the CIU through the lens of the Inquiry also. As POL were publicly funded we had a duty to investigate and then refer suspected criminal conduct; BF introduced the paper advising that current investigation practices at POL had not been consistent and that there had not been the requisite quality of investigation that ought to take place. BF referenced the approvals sought in the paper and that the proposed scope of the CIU would include PMs. A phased approach to introduce the CIU was anticipated. We needed to make sure that our investigations were secure so that we could rely on the findings and made good decisions; SG outlined the 3 approvals requested from the GE. The remit in terms of the applicability of the CIU branch was not controversial. The part that was more controversial was the proposal in relation to the CIU conducting criminal investigations. To be clear, we were not looking for the CIU to undertake criminal prosecutions; we were proposing that the CIU undertook criminal investigations before referring. In terms of why we wanted to do this – we were a cash business and £2.5m had been identified as potentially being recoverable; NR queried whether the culture was that people were back footed due to the situation over the last 3 years. SG replied that whilst the vast majority of PMs were decent honest reliable people, in any big group there would be people who looked to take advantage of loop holes and there was knowledge that there would be no deterrent. This was incredibly disheartening for employees who undertook the investigations then saw the work go nowhere. SG referenced the legal duty the Company had as an organisation in receipt of public funds to investigate and then refer suspected criminal conduct; we were not currently completely fulfilling this duty; JB noted POL’s ownership structure and shared his view that we needed to be doing more when it came to criminal investigations; we could provide evidence to law enforcers and prosecutors to assist them; 		

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<ul style="list-style-type: none"> • ZM noted that we could still recover losses via civil recovery. JB agreed that civil recovery remained open to us, or we could pursue under the Proceeds of Crime Act, so we could ask law enforcement to ask the Court for the criminal proceeds to be repaid to us. We would also assert that we were asserting the rights of PM's when PM's staff stole from them, so the Proceeds of Crime Act was likely the best way to recover monies; • ZM queried whether we should we put more resource in place. SG replied that the team were in the process of putting adequate resource in place, and that this was expected to be achieved come September. It was difficult given our funding position however we may need to proposing taking more people on to staff the CIU; • MR queried what the likely return was that we might expect to bring back this financial year. JB noted that we were already half way through this financial year, and that aside from £190k for a WHS related guilty plea, the return would not be an in year benefit, and would be more looking forward; • BF reiterated the earlier point that the proposed CIU approach would also apply for the benefit of PMs, so it could assist PMs in recovering where there had been potential criminal activity by their staff. To ZM's point, it would be helpful to have more resource. To JB's point, the Courts moved slowly, so returns would be unlikely to crystallise this financial year. We had an explicit duty in respect of managing public monies; NR as the accountable officer needed to show that we were satisfying this duty and that in appropriate cases we were looking at redress; • SG noted that after encouraging a culture of speak up, we had seen allegations increase of fraud, theft or nebulous financial crime. NR asked for more detail and also asked who was making the complaints. JB advised that PM staff were reporting more than PM's; • TM shared his view that he thought we would receive criticism for the proposed CUI approach. SG replied that she thought that we had to be proactive here. ACTION RT agreed with this, and that we needed to communicate this through the PM lens which we could do via MR's weekly update. NR cautioned that the communication would need to be carefully crafted; • In AC's absence, SG raised his concern regarding the reliability of evidence whilst we remained on Horizon. JB replied that we could choose which data we relied on and we would use the most reliable data. JB further advised that in speaking to MR, MR's team were not seeing any inherently unreliable data. NR noted that whilst he took AC's point, where we proceeded and handed over to law enforcement and prosecutors, it would be on the basis of having conducted sound and thorough investigations; 	<p style="text-align: center;">RT</p>	<p style="text-align: center;">31 August 2022</p>
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<ul style="list-style-type: none"> • JB advised that he had spoken the with public prosecutors service, and that they were willing to work with us. What we wanted to achieve was a strategic relationship as it would be the same officers who dealt with the cases. BF noted that it was important to emphasise that the case assessment, decision and conclusion would be performed by the external prosecutor. Post Office had a legal and a moral obligation to provide the information of suspected criminal misconduct to law enforcement and there was a public narrative that supported the approach. <p>GE RESOLVED to APPROVE for onward forwarding to the Board for noting:</p> <ul style="list-style-type: none"> (i) POL, POL Staff, Postmasters, and Postmasters' staff all being within the remit of the Post Office Investigation Branch; (ii) CIU to conduct criminal investigations; and (iii) The Mobilising of a new partnership model with the relevant bodies across the UK to facilitate the investigation and referral of suspected criminal misconduct. <p>TM queried what engagement had been had with BEIS on the proposal. ACTION TM suggested that BEIS be informed and walked through the paper, TM could make the introductions.</p> <p>NR called for further questions. There being no further questions SG and JB left the meeting at 11:39.</p>	<p>TM</p>	<p>31 August 2022</p>
<p>Strategic 3 Year Plan Update Navin Batra and Kathryn Sherratt</p>		
<p>NB and KS joined the meeting at 11:44. Key discussion points were as follows:</p> <ul style="list-style-type: none"> • NR outlined the approach was to have all GE Members on the same page in respect of the 3YP. We knew we had a gap and we wanted to go into the September Board meeting knowing what our issues were; • NB explained the 3YP planning exercise that had been conducted in May and June. NB wished to pick up on the situation post the May and June submissions so as to be sighted on what might be coming in the next 6 – 8 weeks; 		

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<ul style="list-style-type: none"> • NB advised that when the position was consolidated in June there was a shortfall – the change spend was higher, and there was a trading profit shortfall. At the time we collectively agreed we would assess the position, then come back in September to collectively approve the 3 year plan; • NB shared the proposed calendar as it related to progressing the 3YP over the next 6 – 8 weeks and spoke to the proposed timetable. NR advised that the time for GE colleagues to engage was now; we had time to do the work now, so let’s get the stones unturned to ensure that everyone was in the same place. NB advised that the Finance team would be actively engaging with their business leads to see how things were progressing. NR reiterated his ask for GE members to be engaged during this process and stressed the need for GE members to depict the real picture. KS shared her view that lack of engagement was not the issue; it was just there that there were some difficult decisions that need to be made. SMP would not have completed all their thinking by this time; we needed to appreciate this. KS queried whether there was anything that came out of the stop/ start/ continue exercise that could be utilised here, and emphasised the need to be transparent about what decisions were being made. NR agreed with this and noted that the narrative around decision making would be very important and that TM would likely be responsible for this; • BF advised that he had a similar point to KS; the challenge was in the difficult decisions that were coming including in relation to funding for the Inquiry, HMU and IDG – we may find that there were some unpalatable decisions that we needed to take because we didn’t have the money – however should we write to BEIS to advise them that we were not adequately funded in these areas. NR agreed with this and shared his view that we needed to attend to this before the end of the month. There were a number of sticks that we needed to put into the ground; we had spoken to BEIS about risks, these risks were now crystalising. TM advised that he agreed with BF; we needed to make BEIS aware now that decisions were due to be taken that might come back to bite them; <p>NR thanked NB and noted that all GE members were engaged and enrolled. NB and KS left the meeting.</p>		
<p>AOB/ Round the Table</p>		
<p>Key discussion points were as follows:</p> <ul style="list-style-type: none"> • LK advised that communications regarding the future remuneration framework would start next week. In terms of industrial relations – the CWU would ballot for IA in relation to Royal Mail, and this would 		

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<p>have impacts on us. LK was Liaising with RMG on this. There could be a time when the CWU looked to achieve co-joined action across the Post Office and RMG, and this could be around the time of the August bank holiday weekend. NR queried returning to ACAS and asked when this was scheduled for. LK advised that this was in the diary for 25 August and that the next step at ACAS would be to say that we had exhausted our collective bargaining process;</p> <ul style="list-style-type: none">• BF advised that there had been another data incident involving hard copy documents. Procurement discovered a number of documents relevant to Phase 2 of the Inquiry; we were going to have to advise ICO, and the Inquiry. This underscored the importance of the work BF and ZM were undertaking in relation to data management. NR queried whether the additional documents had been located in Chesterfield. ACTION BF replied that these had been found in FD, and that he would come back to GE and provide a further update;• ED advised that all eyes were peeled tomorrow for the announcement on interest rates; half a percent was expected. BOI were trying to change platform at the same time as us rolling out NBIT and this was becoming a slightly livelier debate. <p>There being no further business the meeting closed at 12:15.</p>	<p>BF</p>	<p>31 August 2022</p>
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