

OFFICIAL SENSITIVE - COMMERCIAL

To: Baroness Neville-Rolfe**From:** Laura Thompson, UKGI**GRO****Date:** 26 April 2016**Subject:** Meeting with Tim Parker (Chair, Post Office Limited)
Wednesday 27 April 15.30 – 16.00

Meeting purpose: You arranged to meet Tim Parker to discuss the final stages of his review into the Post Office Horizon IT system, following his letter to you in March. Mr Parker will also update you on the potential legal action against Post Office relating to the claims against Horizon. There may be time for updates on other Post Office issues.

Meeting attendees

- Tim Parker, Post Office Chair
- Richard Callard and Laura Thompson from UKGI will also attend.

Timing: Routine.

1. On taking up the role of POL Chair in October, Mr Parker undertook a review of the Post Office Horizon IT system and the complaints that had been raised by a small number of former subpostmasters. He appointed an independent QC to assist him in this review. His letter to you of 4 March (Annex C) gave an update on his findings and the remaining work he intended to complete. We understand that he remains on-track to complete the review by the end of May. Mr Parker will update you on the progress he is making in each remaining workstream.
2. My note of 14 April set out that Post Office had received a letter from a firm of solicitors (Freeths) acting on behalf of the Justice for Subpostmasters Alliance. The letter stated that Freeths had lodged proceedings at the High Court against Post Office and that a letter of claim would issue within 14 days. POL advise us that no letter of claim has been received yet. Mr Parker will also be able to provide a brief update on this and how POL are handling the matter.
3. You previously discussed with Mr Parker how to communicate the findings of his review, once complete, with interested parties such as Andrew Bridgen MP and Lord Arbuthnot. This may be complicated however if legal proceedings are underway at that point. We recommend you discuss this with Mr Parker.
4. If there is time, Mr Parker may also mention the proposed reappointment of one of their Non-Executive Directors, Tim Franklin. See attached agenda for more detail.

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Annexes:

- A. Agenda and points to make**
- B. Biography of Tim Parker**
- C. Tim Parker's letter of 4 March 2016**

Copied to: Secretary of State, George Freeman, SpAds, Permanent Secretary, Mark Russell, Justin Manson, UKGI POL team, Claire French, Tasnim Sadek

Advice Received From:	Finance	SpAds	Press	Legal	Analysts
	N/A	N/A	N/A	N/A	N/A
Devolution Issues	N/A		Equality Analysis	N/A	

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ANNEX A: Agenda and points to make

1. Review into the Horizon system and handling of complaints

- Thank you for your letter of 4 March.
- Welcome the thorough review you have undertaken with support from a QC.
- You identified a few areas for further work – how is that progressing?

Note: Those areas were:

- *To take further advice from a criminal law specialist on allegations that Post Office had pursued theft charges solely to secure a guilty plea for false accounting*
- *To see whether detailed transaction logs could be investigated further*
- *To look at a small number of cases where specific claims had been made regarding Post Office's support helpdesk*
- *To look again at the idea proposed by Second Sight that there could be a relationship between branch discrepancies and POL's suspense account.*
- Once you have completed your review I would be grateful if you could update me. We should also consider what might be said publicly about your review, although I appreciate that might be complicated if there are legal proceedings underway. (See item 2)

2. Potential civil litigation against Post Office Limited

- I understand Post Office have received a letter regarding proceedings lodged at the High Court but are still waiting on details of the actual claims. Is there any further update?
- How do you and the rest of the Post Office management propose to handle the matter?

3. Other updates (if time)

- *Appointments: Tim Parker chairs POL's Nominations Committee, who have just recommended that one of POL's NEDs, Tim Franklin, be reappointed for a second term when his current term ends in September. We are currently working through the official-level clearances (the BIS Senior Remuneration Oversight Committee), and will then seek your decision on whether to reappoint Mr Franklin. Mr Parker may raise this and explain why he supports the reappointment.*
- *Supply Chain: POL have considered whether it is possible to delay notifying their unions of proposed changes to the supply chain: they are meeting the unions on 9 May but must give notice on 2 May including of the likely redundancies. However POL have concluded this would not be possible without jeopardising delivery of the supply chain changes and pension reform. They do*

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not expect the unions to take any public action until they hear the full details of the proposals on 9 May.

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Annex B: Tim Parker biography

Tim joined the Board of Post Office Limited in October 2015. His career covers a wide range of retail companies. In 1996 he was appointed CEO of Clarkes shoes and after six years of reorganising the company and bringing it up to date with the latest designs, the profitability of the footwear company improved by 150% and record results were posted in 2002



In 2002 he moved to Kwik-fit and backed by CVC national partners was able to complete a £340 million Management buy in from Ford. Operating profits increased by 250% in a two year period after major restructuring of the business.

In 2008 he spent a short time as the first deputy mayor of London working alongside Boris Johnson.

In late 2008 he became the non-executive chairman of Samsonite Corporation and by the beginning of 2009 also CEO. Despite being hit by global credit crisis which led to a sharp decline in profits, after investments in products and marketing and extensive restructuring, the company remerged stronger and achieved record results of \$250 million in 2011. Also in this year the company was listed on the Hong Kong stock exchange.

Previous meetings

- You met Mr Parker in **June 2015**, prior to confirming his appointment as Chair.
- Mr Parker met the Secretary of State in **November 2015** where they discussed his initial views of the business and opportunities for the future.
- You last met Mr Parker on **26 January 2016** where you discussed his initial views of the business, the two new Board appointments (Ken McCall and Carla Stent) and his work on reviewing the Horizon matter.
- You agreed to meet Mr Parker on a six-monthly basis in the future – your next such meeting is currently in the diary for 21 June 2016.