
From: Thompson Laura (Shareholder Executive)[/O=BIS PRODUCTION/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=73D8709345C441479F0D7E2ADCE207C9-LATHOMPS]
Sent: Fri 20/11/2015 10:49:17 AM (UTC)
To: Rusling Annette (Shareholder Executive); [redacted] GRO; McInnes Tim (ShEx) [redacted] GRO
Cc: Callard Richard (ShEx) [redacted] GRO
Subject: RE: Briefing for SoS/Tim Parker meet next week.

Remuneration/appointment approvals

- Tim may express frustration at the amount of time it has taken recent appointment and remuneration processes to be cleared through Government.
- This includes:
 - Securing approval to fill two Board vacancies (the Senior Independent Director and the Audit Committee Chair)
 - Approving the Executive (CEO and CFO) remuneration for 2015-16, which took over four months and resulted in the CFO's one-off contractual bonus payment (payable after his first six months in post) being paid late.
- Tim may raise the roles of POL's Nominations and Remunerations Committees, and to what extent they have the authority to operate independently of Government. Our advice is clear that, where appointments are made by Ministers or approved by them, then they need to be involved at each stage in the appointment process.

Exit payments

- The Enterprise Bill includes provisions for Government to introduce a cap of £95,000 on public sector exit payments, with the exact detail to be set out in regulations. (Note this is HMT policy)
- Post Office are expected to be within the scope of these regulations. There are some public corporations through which are likely to be exempt, and Tim may ask you whether Post Office can be included in those exemptions.
- Post Office are concerned that the rules may affect their ability to move quickly in making structural changes if necessary – they have agreed to provide officials with a note setting out their concerns. We have advised Post Office that the Government expects all parts of the public sector are expected to put these arrangements in place, even if they are not explicitly included in the regulations.

Horizon

- Tim Parker agreed with Baroness Neville-Rolfe that he would undertake a review into the Post Office "Horizon" IT system and various claims that subpostmasters have been wrongly prosecuted as a result of faults in the system. Tim has appointed a QC to assist him in that review, and expects to report back to Baroness Neville-Rolfe early in the New Year.
- We do not expect Tim will want to discuss this matter in detail. The Government's position is that, while Tim is undertaking his review, while Post Office continue to work through mediation of individual cases, and while the Criminal Cases Review Commission considers the c.20 applications on this matter, it would not be appropriate for Government to intervene.

Government services

- Tim may raise Post Office's role as a provider of Identity Assurance via the Government's "Verify" service. Post Office are one of a number of Verify providers and currently have the largest market share and success

rate. However, volumes have dropped significantly below those projected by the Government Digital Service (GDS), largely due to HMRC withdrawing some of their online products from the Verify service. Post Office are therefore concerned that they will not meet their revenue projections as a result of the promised volumes not materialising, and Tim may ask you to raise this with Cabinet Office colleagues. We have already flagged this to GDS at official level.

Laura Thompson | Assistant Director | Shareholder Executive

GRO

From: Rusling Annette (Shareholder Executive)
Sent: 17 November 2015 14:09
To: McInnes Tim (ShEx); Thompson Laura (Shareholder Executive)
Cc: Callard Richard (ShEx)
Subject: Briefing for SoS/Tim Parker meet next week.

Tim, Laura

I spoke with Tom Wechsler earlier to understand what subjects Tim is likely to raise with the SoS. I have put you lovely people's names next to topics I need a bit of info from to go into the briefing. If I could have stuff by **COP tomorrow (Wed)** that would be grand, then I can make sure it will make Friday's box.

The main ones:

The banking framework – POL are concerned that the banks are not negotiating properly on fees for POL offering a wider suite of services and Tim may exhort the SoS to see if he can exert some influence to get board level people at the negotiating table (getting stuck with procurement people at the moment). POL are likely to frame this as taxpayers subsidising the banks as POL fill the gap.

Tim – would you be able to provide me some bullets on what the services are etc for the briefing pack? Also some background on the SR bid and how it fits with POL's business plan, how we didn't bid for the cushion etc?

The other substantive point they may raise is to be 'allowed' to operate more commercially, including:

- reflecting on their frustrations with the RemCo/ NomCo processes
- the fact that they are not happy about being included under the redundancy cap in the Enterprise Bill. Their main concern seems to be that it would prevent them moving quickly to make structural changes if necessary
- Their desire to have the ability to raise investment capital as subsidy is on a downward trajectory

Laura – could you get me something on the first two bullets?

Tim - grateful for anything we might want to say on POL borrowing powers.

The background:

POL will include the following in background for Tim P, but they are not anticipating these will come up in detail:

- info on the consultation (I will cover)
- gov't services (particularly Verify) (**Laura could you provide brief bullets?**)
- very brief info on Sparrow (**Laura, as above!**)
- their proposals for apprenticeships (**Tim, do we have anything?**)
- Possibly a line on consumer futures (I have from Michael)

Ta very much!

Annette



Department
for Business
Innovation & Skills

Annette Rusling

Shareholder Executive

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