

OFFICIAL - SENSITIVE



Department for
Business, Energy
& Industrial Strategy

Date: 19 January 2018

Director General: Mark Russell

Lead Official: Richard Callard

Lead Official Telephone: GRO

Recipient	To Note / Comment	To Approve / Decide
Permanent Secretary		X

POST OFFICE – APPOINTMENT OF TOM COOPER TO POST OFFICE BOARD

Summary

- On 19 February the Secretary of State agreed to Tom Cooper's appointment to Post Office Limited's (POL) Board of Directors. This requires your consent to extend a Departmental indemnity to Tom, and also agree the terms of his appointment.
- In the absence of an MoU between BEIS and UKGI you are also requested to approve a reporting regime for the UKGI shareholder team

Timing

- Your consent is needed by 27th March, which is the date that Tom will formally join the Board.

Recommendations

- That you:
 - Agree to the terms of the indemnity, as noted in Annex A, and provide Tom with a signed copy;
 - Agree that you are content with the terms of appointment set out in Annex B; and
 - Agree the reporting regime set out below and note the longer-term intention to clarify responsibilities between UKGI and BEIS.

Advice

Indemnity

- Under the powers afforded to BEIS by its special share in POL, BEIS have previously appointed a representative to sit on the Board of POL. This has traditionally been done through the then Shareholder Executive and now UKGI.
- Whilst Tom is a representative of the Department, he is a Non-Executive Director (NED) in his own right, which carries personal legal responsibilities. Government nominated NEDs do not generally carry Director's and Officer's insurance, but instead benefit from a Government indemnity issued by the owning Department. This is attached at Annex A, and if you agree to it, requires your signature.

Terms of Appointment

OFFICIAL - SENSITIVE



Department for
Business, Energy
& Industrial Strategy

7. Tom is appointed via a letter. If you are content with it, it will be signed by UKGI CEO Mark Russell on behalf of the Secretary of State under the terms of UKGI's memorandum of understanding with BEIS.
8. The terms of the appointment are set out in an attached minute which has been agreed with POL. The letter and the minute can be found in Annex B.
9. The terms outlined are similar to those of the incumbent shareholder representative director, Richard Callard. In addition to covering remuneration (nil) and time commitment, this specifically covers Tom's duties around disclosure or non-disclosure of information in paras 8-10. These seek to balance Tom's duties to the company with his duties to Government, and the potential conflict that can sometimes cause.

Division of Responsibility between BEIS and UKGI

10. As you are aware UKGI and BEIS are having wider discussions about the division of responsibilities for BEIS assets between them. Currently UKGI retains responsibility across the board for POL, including policy matters.
11. We intend to work with the BEIS policy sponsor, once the identity of that person is settled, to establish a more formal POL-specific memorandum of understanding.
12. In the meantime, you are requested to approve a regime of meetings attended by Tom Cooper and the shareholder team from UKGI to update you and the Minister responsible for POL. The agenda would include, discussing financial performance, key personnel issues, progress on key risks including litigation, network performance and compliance with the network access criteria, and key initiatives involving POL with BEIS or other departments. Meetings would take place at a minimum quarterly or on an ad hoc basis as required.

Annexes

- A. Indemnity
- B. Terms of Appointment