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**From:** Carruthers, Henry (Policy Delivery & Private Office)[GRO]  
**Sent:** Fri 11/05/2018 8:41:41 AM (UTC)  
**To:** Bakshi, Madhav (BEIS)[GRO]  
**Subject:** POL / Tom Cooper Readout

Madhav,

Alex suggested that he wanted this note sharing with all attendees of the last meeting. You ok to send around?

**Subject:** Tom Cooper / POL Update  
**Attendees:** Alex Chisholm (AC) & Tom Cooper (TC)  
**Time & Date:** 15:00 to 15:30; Tuesday, 3 April 2018

**Summary:** Short catch-up between TC and AC, focussing on update on Post Office Ltd (POL) business, specifically after TC's first Board meeting & post-funding agreement. Both agreed that there are certain aspects of POL's business plan that need to be prioritised, and that there are short-term issues that need to be addressed ahead of longer term options.

1. BEIS POL Policy Sponsorship. Currently lack of named policy responsibility in BEIS makes it difficult to build momentum behind decisions for POL. AC agreed that it would be cogent to have a POL lead; perhaps in CCP, albeit noted that Tim Jarvis may not be suitable, as he is already responsible for Royal Mail. **HC: to provide Jaee Samant & Tim Jarvis with a heads up that there will be the expectation for BEIS policy lead.**
2. UKGI POL Resource. TC's team currently responding to MPs letters and UQs on POL issues. Felt that this is not appropriate use of UKGI resource, which AC agreed, and should instead be moved to BEIS once policy responsibly has been established.
3. POL Strategic Options Meeting. Agreed that the meeting due to be arranged to discuss Richard Callard's paper on future strategic options for POL, with BEIS officials, would be a good opportunity for Tom to raise points about future focus on POL. Agreed that TC would suggest a short agenda to lead the meeting, to be arranged for w/c 23 April.
4. POL Financial Independence: TC updated AC that he was exploring alternative models to enable POL to be more financially independent. This included banks potentially paying a contribution to use POL franchises as their local points of access to local communities, while organisations are downscaling and increasingly moving to digital methods of delivery. AC expressed that this was potentially an idea worth investigating, especially in context of reductions to number of local branches.
5. DWP & POCA Contract. TC noted that the POCA contact with DWP is due to require renewal over the next few years. TC recommended that BEIS may wish to encourage POL to make an offer to provide a digital solution, which could be worked up with the new funding provided. Recommended that this is presented as a saving to DWP when put forward as a contract.
6. POCA Accounts. TC noted that POL currently receive payments for interest on POCA Accounts. Agreed that as these accounts are for vulnerable consumers, should be proactively addressed before the story breaks. Options to be seen proactive, either providing money to DWP, setting up an NS&I for the individuals in question.
7. Verify. Digital identification tool developed by POL could be transformative to business; derived from start-up built internally from within the company; TC noted that the individual in charge of the programme may require some business mentoring. AC recommended Ken Olisa as suitable candidate, and offered to put TC in touch. TC has since provided draft email to send to Ken.
8. POL Cabinet Paper. AC recommended that areas to be addressed with POL are worked into a potential paper for Cabinet. This should provide a core case for the network, beginning with the fact that POL is increasingly in a strong position, has been given a sizable amount of funding by UKG, what it is doing to help itself, benefits of stimulus of eCommerce, Financial Inclusion & DWP. Process of working up Cabinet Paper: Discussion during POL Strategic Options Policy Paper, once a draft paper agreed and cleared with

AC, to be submitted to Minister Griffiths; following Minister Griffiths' clearance, to be submitted to SoS, with the proposal that it is treated as a Cabinet paper.

9. Project Investment Committee Scrutiny of Funding. TC noted that PIC have expressed that they wish to review the business case for POL funding again, they are also seeking external assurance from IPA for each quarter. AC noted that his clearance of the funding, while requiring certain assurances of due diligence, did not include requests as detailed. Felt that PIC are working to their own momentum; AC agreed that this appears to be too heavy handed, and instead, perhaps UKGI & BEIS could offer to establish a small project board to work in place of PIC.
10. Consumer Payments. POL intend to acquire Payzone, the consumer payments company, for £15m. Given POL, Payzone and Paypoint only three players in UK market, will likely result in scrutiny from CMA. Nonetheless, would provide POL with a physical and digital network.
11. Update on POL Business: New Non-Executive appointed, Chief Operating Officer of Lloyds of London. Litigation, Horizon System in which a post master is being subject to accusations of fraud. Currently no statement of the claim, but given Partner Organisation sponsorship structures, BEIS could be required to foot the settlement, which could be as high as £220m. AC noted presents another example of BEIS bearing responsibility for POL when they should not. AC recommended that during next meeting consider how to steer responsibility for this to HMT.

Thanks  
Henry

Henry Carruthers  
Private Secretary  
Alex Chisholm, Permanent Secretary, BEIS

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