



Date: [18] January 2018  
Director General: Mark Russell  
Lead Official: Tosin Adegun  
Lead Official Telephone: **GRO**

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

## Annual letter to the Post Office Chair

### Summary

- 1) A draft Chair's letter to Tim Parker clarifying the shareholder priorities for 2019/20.

### Timing

- 2) Routine. Ideally by Friday 25 January 2019, so that we can send the letter in January 2019.

### Recommendation

- 3) That you approve the draft Chair letter and agree to meet with the Chair to discuss.

### Background

- 4) Tim Parker was appointed as Chair in October 2015, and was reappointed in October 2018 for a further four years. He has increased the focus on commercial aspects of the business and POL has delivered two successive years of profit after more than a decade of losses. The latest management accounts suggest that it is on course to exceed its stretch target in 2018/19.
- 5) POL's last Chair Letter was sent in December 2017 and we do not advise waiting until the new CEO is in place to send a new one, as this may not be until Autumn 2019. The letter highlights areas where we believe there is greatest scope for the Chair to add value. These relate to:
  - Commercial strategy, where POL faces fundamental challenges and opportunities across all its main business areas
  - The interaction with government policy, where there is currently an elevated level of political interest in Post Office as well as the upcoming Spending Review
  - Corporate governance, where despite recent improvements, there are some gaps in best practice relating to Board development and diversity

### Next steps



UK Government  
Investments



Department for  
Business, Energy  
& Industrial Strategy

- 6) We have proposed in the letter that POL's Chair and senior management have a formal shareholder meeting with BEIS and UKGI every six months, in keeping with other partner organisations. We think it would add a lot of value if you were able to attend these meetings, or every other one, and will provide further advice when they are due.
- 7) If you are content with the contents of the letter, we recommend that you meet with the Chair shortly after it is sent.

**Do you agree to send the Chair's letter and to meet with Tim Parker to discuss?**