
Discussion: Post Office Limited policy responsibilities

Department for
Business, Energy
& Industrial Strategy

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Cover style

Current POL responsibilities

UKGI currently oversees all aspects of HMG's 100% shareholding in Post Office Limited (POL) on behalf of BEIS. To achieve this UKGI:

- Holds a seat on the **POL Board and Audit and Risk Committee**.
- **Oversees corporate governance activities** such as the approval of POL's longer term strategy, executive and non-executive recruitment, and director remuneration.
- **Monitors POL's financial and operational performance**, holding POL to account against its commercial and policy objectives in the strategy.
- Ensures POL is provided with **sufficient investment and subsidy funding** to achieve its target of being commercially sustainable in the longer term, whilst meeting its social obligations, particularly around minimum network coverages requirements.
- **Advises Ministers on both commercial and policy issues**, supporting them in Parliament and with the wider set of stakeholders who have an interest in Post Office matters.

UKGI proposal for discussion: future POL responsibilities

UKGI responsibilities:

- **Continue to fulfil shareholder role**, sit on the POL Board and oversee, and participate in, corporate governance activities.
- **Continue to monitor POL's commercial and operational performance**, and ensure it is provided with sufficient funding and subsidy funding
- Provide **significant support to the BEIS policy sponsor** in key areas where UKGI's knowledge of the business is central to responding to requests or putting forward policy positions.

For discussion: UKGI believe it is not appropriate for them to execute the daily POL Working Capital Facility (including day to day calculation and approval, liaising directly with POL). They propose that this be undertaken by BEIS Finance.

BEIS policy responsibilities:

- **Key point of contact for the UKGI on policy related matters** (e.g. network size and access requirements, funding) and conduit on BEIS policy issues that may affect POL.
- Monthly **horizon scan** with UKGI for areas which may impact the Department/POL.
- **Own the key policy remit** of minimum network size, access criteria, and path to commercial sustainability.
- **Drive the delivery of the forthcoming Cabinet Paper** on Post Office Card Account, financial inclusion and cash and working capital funding.
- **Review, critique and clear UKGI advice to Ministers**. Provide a **BEIS policy view** to Ministers on key advice, e.g. for Spending Reviews.
- Work with UKGI to **consider key strategic ownership issues**, at the appropriate time.
- **Draft PQs, UQs, briefings and correspondence** (with support from UKGI and POL).

Resource requirements

Should these responsibilities be transferred to BEIS, we believe the following BEIS resource will be required to carry out this function effectively.

Policy resource:

- Given the upcoming Cabinet paper on POL and the likely policy work this will require, both in the development of the paper and the implementation of its outcomes (e.g. consultations etc), we propose **this will require 1 G7 FTE lead and 1 FTE policy support officer (SEO/HEO).**

Briefing resource:

- An estimate of recent volumes for Post Office related correspondence and parliamentary business is included in the table below. Should changes be introduced following the Cabinet paper we can expect these volumes to increase. We propose **this will require 1 SEO FTE lead initially, with the addition of 1 HEO FTE support officer** in the autumn following the Cabinet paper.

PQs	23 PQs answered in the last 6 months
Correspondence	128 letters answered in the last 6 months
Parliamentary	4 debates and 3 petitions in the last year 4 Urgent Questions in last 6 months
Ministerial briefings	30 briefings and 11 diary cases in last 6 months