

From: Russell, Mark - UKGI[/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=32884FDEDBF64399AB14B1BC66B1E86D-MARK.RUSSEL]
Sent: Mon 17/06/2019 8:00:38 AM (UTC)
To: Robert Swannell [GRO]; Razzell, Robert - UKGI [GRO]
Subject: RE: Tim Parker - Post Office

Thanks, Robert.

From: Robert Swannell [GRO]
Sent: 16 June 2019 12:09
To: Russell, Mark - UKGI [GRO]; Razzell, Robert - UKGI [GRO]
Subject: Tim Parker - Post Office

Dear Mark and Rob,

I saw Tim Parker, Chair of the Post Office, on Wednesday, 12th June. The following points were covered:

1. On the litigation, he didn't seem to be aware as he might be that this was a significant issue for BEIS/Ministers. I probed him on what lessons could be learned. He wasn't very clear in his response. His main response to what had gone wrong was that they had over relied on very eminent lawyers; he wondered whether the lawyers had been so senior and eminent that they had been more interested in their own reputations than that of the Post Office (he was particularly referencing the recusal action here). That said he seemed to think that they should establish if there were points on appeal on which they could win and then find a way to settle. He couldn't say what the scale of compensation might be but suggested £100 million was the limit of it. He thought they would be able to deal with the issue within their business plan. I suggested that the meeting with the Minister, Kelly Tolhurst, towards the end of June would be important on this issue.
2. On CEO it was the day after they had had final interviews. I detected that he was veering towards what he thought was the safer option of his acting CEO/ex FD. He regards the task of the next three years being about execution rather than being a strategic reinvention. He conceded that the internal candidate was abrasive. He said he recognised there were major gaps in the executive team and that the new CEO's chief attribute should be the ability to build and motivate a great team.
3. On the business more generally (I gave him the Mrs Lincoln quip referencing the litigation) he is quite pleased with progress and thinks the noise around pay/conditions for sub post masters was overblown but they were focussed on resolving matters. The new contract with Bofl was a distinct improvement as was the contract with the banks.
4. On UKGI support he acknowledged the significant input from Tom, who he regarded as a "very good hire for us". He accepted he had had a significantly positive effect on the new banking terms and in the approach to the litigation. That said he clearly still has a view that we are too involved in the business and spend more time than any normal NED "tramping around the business" and "papering over the crack of the executive". He said it wasn't our job to step in for any inadequacies of the executive team or be consultants. I countered by saying that if cracks were evident it was incumbent on any NED (UKGI or otherwise) to probe effectively. I also suggested that if things had gone awry (as they had with litigation) a private equity owner would be no different in being all over the investee company. He accepted this.
5. He is happy with his Board. He referenced the issue with the NED who has recently joined the Co-Op. He has agreed with her that they will see if she has to recuse herself often and decide at the end of

the year if it is workable.

6. He was happy to have been given a second term earlier in the year. He thought he had been extended for 4 years rather than 3.

With best wishes

Robert

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