

Message

---

**From:** Permanent Secretary [REDACTED] GRO  
**Sent:** 15/03/2019 14:46:55  
**To:** Aldred, Tom - UKGI [REDACTED] GRO  
**CC:** Permanent Secretary [REDACTED] GRO  
**Subject:** Perm Sec/ Tim Parker readout

**Flag:** Follow up

Hi,

Apologies for the delay, I have done a readout from the POL meeting last week. Please can you add your comments? I know most of the conversation is covered in the memo Alex sent to SoS.

Attendees:

Tom Aldred  
Tim Parker  
Gavin Lambert

Key points:

- POL is doing well financially and TP is optimistic about their future. 5 years ago they were losing over £100m a year.
- They are essentially now a manager of a very successful franchising model. POL is very attractive to someone running a local retail store. They can bring footfall to the high-street.
- POL relies heavily on the relationship with Royal Mail, which is only a 10 year relationship now. Royal Mail accounts for 50% of the income, but without it there is no business at all. POL are the only sort of operator who are separated in this way.
- Parcels are becoming more important than letters now. The share of the parcels market Royal Mail have might go down. POL could explore a future option of not having exclusivity with Royal Mail. At the moment, POL have a good relationship with Royal Mail.
- POL are dependent on Bank of Ireland. However, they are currently moving to a different model which will give them greater freedom in financial services. In return for this, BoI want a more variable cost model. POL are currently the number 2 player in foreign exchange and they will now be able to better benefit from these profits.
- Banking Framework is changing and POL are optimistic about their new prices. They know that bank closures are of public concern so being able to offer these services is important.
- Franchising – there are around 200 crown Post Offices remaining, the rest have been franchised. There are other opportunities to explore here ie distributing medicines.
- There have been recent changes to the Executive Team. New hires from Aviva, Barclays and Boots have added a lot of value.
- Regarding the litigation, AC went over the lessons learned from the Magnox inquiry. These included: board should have substantive briefing from the QC and not solely rely on the assessments of the CEO and that the advice on appeal needs to be well thought through.
- TP noted that it can be difficult to get appointments through BEIS in a timely way. AC noted this and agreed to discuss with Ministers.
- TP discussed the need to appoint an interim CEO and then interim CFO (if the CFO becomes the interim CEO). AC noted the advice and agreed to raise this with Ministers.
- TP proposed that we could consider making changes to the Framework Agreement to look at the amount of delegated authority. TP noted that it needs to be proportionate, and doesn't want delays or uncertainty.
- TP noted that whilst he values the contribution of UKGI, he does not want the monitoring to become demotivating to the POL team. AC acknowledged this but noted that POL have a lot of HMG money and therefore this is necessary.

Best wishes,  
Sophie



Department for  
Business, Energy  
& Industrial Strategy

Sophie Lewis  
Private Secretary to the Permanent Secretary

Tel: **GRO** Mobile: **GRO**  
**GRO**

1 Victoria Street, London, SW1H 0ET

[www.gov.uk/beis](http://www.gov.uk/beis) | <https://twitter.com/beisgovuk>

---

This email has been scanned by the Symantec Email Security.cloud service.  
For more information please visit <http://www.symanteccloud.com>

---