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Department for
Business, Energy
& Industrial Strategy

Meeting with Tim Parker and Alisdair Cameron (Post Office Limited)

16:00-17:00, Monday 24 June 2019

**Minister's Parliamentary office: 56 Upper Committee Corridor
South, Houses of Parliament**

External Attendees:

- Tim Parker – Independent Chair, Post Office Limited
- Alisdair Cameron – Interim Chief Executive Officer, Post Office Limited
- Alan Watts – Partner, Herbert Smith

Internal Attendees:

- Tom Cooper – Director, UKGI
- Richard Watson – General Counsel, UKGI
- Carl Creswell – Director, Professional Business Services, Retail and Post (x66591)
- Eleanor Beal - Head of Post Office Policy and Sectors Briefing Hub (x62898)

Purpose of meeting and Handling:

Tim Parker proposed this meeting in response to your letter of 29 May (Annex A) regarding POL's approach to the ongoing litigation. Tim's written response to you on 3 June (Annex B) noted that POL would prefer to share further details through discussion rather than in writing.

This meeting is an opportunity for you to: (1) gather further information on POL's planned approach to the litigation and costings; and (2) mention some of the options (1-7; Annex C) that SoS has suggested BEIS pursue in relation to POL's litigation strategy, following discussion at the 4 June Industry meeting. We recommend that you consider which options to mention and how they should be delivered once you have discussed POL's planned approach with them.

Alisdair Cameron also wrote to you on several topics on 4 June (Annex D) and a draft reply is with your office for signature, suggesting that those topics also be covered at this meeting (if time).

Agenda:

No	Item	Time
1.	POL's approach to ongoing litigation	16:00-16:45
2.	Issues raised in Al's letter	16:45-16:55
3.	AOB	16:55-17:00

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Points to make:

1. Intro

- Thank AI and his team for participating constructively in the recent session with the NFSP. You could also acknowledge that the pay review announced by POL has been a helpful response to pressures on the issue;
- In addition, you could thank POL for deciding to review how they consult on franchising changes (something that you will announce at the Select Committee tomorrow).

2. POL's approach to ongoing litigation

- Please invite POL to present details of their strategy [*an insert will follow this briefing on what we expect POL to present*]. You might wish to probe for further details on:
 - scenarios as to how the litigation will play out;
 - how it could be settled, including what settlement windows could exist during the trial timetable;
 - the potential costs of the litigation, in relation to possible outcomes, including assumptions and rationale for calculations;
 - the Post Office's ability to fund a settlement in the range referred to above without further taxpayer support.
- Following a discussion of POL's proposed approach to the litigation, you might wish to raise some of the options that SoS has indicated BEIS should pursue in relation to POL's handling of the litigation. Full details of options 1-7 are included at Annex C. In broad terms, you could mention:
 - BEIS would prefer POL to pursue early settlement of the case and would encourage POL to undertake preparatory work to support this;
 - You would like to explore the option of a Government representative joining the POL litigation sub committee;
 - You would like to invite Nigel Boardman, chair of the BEIS Audit and Risk Committee, to discuss POL's litigation strategy with them, following a discussion with Alex Chisholm.
- More broadly, you are keen to establish clear information-sharing arrangements between BEIS and POL. The proposed Shareholder Framework Agreement would be a good place to set out these arrangements and you would welcome Tim and AI's support to accelerate finalising this document;
- Please note that if you are pressed on the litigation at the Select Committee hearing on 25 June, you intend to say that you want to see justice resulting from litigation for claimants with valid claims.

Background:

- You asked Tim to share details of POL's proposed approach to the litigation in your letter of 29 May. He responded on 3 June, but noted that they would share further detail in a meeting.

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- Separately, Ministers discussed POL's approach to the litigation at the industry meeting on 4 June and officials subsequently provided advice setting out options for BEIS's strategy in relation to the litigation. SoS has indicated that BEIS should pursue options 1-7 (see Annex C).

3. Issues raised in AI's letter (if time or if pressed)

- You would welcome any update on POL's review of postmaster pay, underlining the importance that something can be announced after the six-week period that was briefed to the Daily Mail;
- Please thank AI for suggesting that you announce POL's plans to review and redesign their communications around franchising when you appear at the Select Committee tomorrow;
- As discussed at the NFSP/POL working group, you are not in a position to commit government subsidy to POL beyond 2021, but you will endeavour to offer reassurance to postmasters on this point when you appear in front of the Select Committee tomorrow;
- You and your officials are working closely with DWP to ensure that the replacement for POca meets the needs of vulnerable citizens, and that benefits of including POL in the replacement scheme are properly considered. It will be for DWP to announce next steps in due course;
- As stated at the POL/NFSP working group meeting, you have asked BEIS officials to prioritise efforts to act as a champion for POL across Government on a range of policy issues. Officials will welcome POL's support to get the 'pitch' right.

Background:

- In AI's letter, he offered to send you text updates on pressing issues or urgent events related to POL. You might wish to feedback on this idea;
- In Tim's letter, he invited you to attend POL's Board meeting on 30-31 July. You might wish to feedback on this invitation (it has not yet been reviewed by Diary Managers), although note that it will take place in Aylesbury.

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Biographies

Alisdair Cameron – Interim CEO, Post Office Limited

GRO

Alisdair joined Post Office in January 2015. Prior to this appointment, from 2002 to 2014 he worked in a variety of roles for Centrica plc, a FTSE 100 company, including Director of Audit and Risk, Group Financial Controller, Finance Director of British Gas and Managing Director of British Gas Enterprise. Previously he was a partner with Deloitte and Arthur Anderson and served as a trustee of the e-Learning Foundation. Alisdair is a Non-Executive Director of Dover Harbour Board and has just finished an 8-year term as a Non-Executive Director of Oxford University Hospitals NHS Foundation Trust.

Tim Parker – Independent Chairman, Post Office Limited

GRO

Tim Parker has been Independent Chair of POL since October 2015 and is also Chair of POL's Nominations Committee and a member of its Remuneration Committee. Tim has been CEO of several well-known companies: Kenwood, Clarks, Kwik-Fit, the AA and Samsonite. He has served as a Non-Executive Director on several FTSE 100 companies: Legal and General, Alliance Boots and Compass Group, and has been a Board member of the Audit Commission and the South West Regional Development Agency. He has been an Industrial Partner at CVC Capital Partners. Tim is the Executive Chairman of Samsonite Corporation and Non-Executive Chairman of the National Trust.

Alan Watts – Partner, Herbert Smith (POL's Legal Counsel)

GRO

Alan works on all forms of dispute resolution including High Court litigation, arbitration and mediation proceedings. Alan advises on sports law, media and entertainment law, company and commercial disputes, professional negligence claims and defamation matters. Alan's experience includes advising: Italian and French individuals and corporate defendants in high-profile breach of privacy, libel and trademark infringement claims; Scottish Media Group and Virgin Radio on successfully defending High Court action brought by UK celebrity broadcaster Chris Evans, following his dismissal in June 2001.