

OFFICIAL SENSITIVE: COMMERCIAL



Department for
Business, Energy
& Industrial Strategy

Meeting with Nick Read (CEO) & Tim Parker (Chair) of Post Office Limited

11.00-11.30am, Monday 16th March

External attendees:

Nick Read, CEO, & Tim Parker, Chair, Post Office Limited (POL)

Internal Attendees:

Carl Creswell, Director, PBS, Retail and Post

Tom Cooper, Director, UKGI Post Office Shareholder team

Purpose of meeting and Handling:

The objectives of this meeting are to:

1. Allow a formal introduction between yourself and two key senior stakeholders within your portfolio.
2. Discuss live issues, including increasing parliamentary scrutiny, upcoming Select Committee hearing and 'Independent Review'; along with people and planning.
3. Discuss POL's strategy ahead of the Spending Review - POL to update you on their 4 Year Plan (4YP), Purpose, Strategy and Growth work and progress on Spending Review case, working with BEIS and UKGI, and press the need for POL to move forward quickly and be responsive given the SR will conclude by July.

Agenda:

No	Item	Time
1.	Live issues	11.00 – 11.20
2.	POL's strategy ahead of the Spending Review	11.20 - 11.30

Points to make:

1. Live Issues

POL's implementation of commitments following Horizon settlement

- Acknowledge that when you spoke to Nick on 4 March you touched on steps POL were taking following the settlement. Say that – whilst it is positive that POL has taken operational steps following the judgments to increase postmaster support, improve processes and bolster training– it is important that Nick continues the drive to re-establish a more productive relationship with postmasters.

OFFICIAL SENSITIVE: COMMERCIAL



Department for
Business, Energy
& Industrial Strategy

- Acknowledge the high level of Parliamentary interest in the Post Office at the moment.
- Ask Nick about progress on their post-settlement actions, particularly on the historic shortfalls scheme that we understand will be announced by POL on 24 March. The scheme was discussed at the 10 March Select Committee hearing. It is important this scheme is transparent, and that POL communicate openly and honestly with postmasters in relation to any developments.
- Thank Nick for being proactive in engaging with the CCRC and ask about POL's progress on assessing previous prosecutions, his views on next steps and potential implications.
- Ask Nick about POL's plans to prioritise culture change and demonstrate how they will communicate the lessons they have learnt with postmasters and the public.

BEIS Select Committee hearing on Horizon on 24 March

- Note that the previous points will be raised at the hearing, with a strong focus on the lessons POL and Government have learnt from the Horizon scandal.
 - Ask Nick about the key points he plans to make at the hearing and any areas of concern that he has.
 - Encourage Nick and his team to engage with BEIS and UKGI in preparation. You may wish to suggest a rehearsal session with BEIS/UKGI colleagues.

Developments on Independent Review

- POL may seek an update from you. Nick was originally concerned about the idea of a forward-looking inquiry 'marking his homework' so early in his tenure, but BEIS officials have explained our rationale. This will have been covered in the meeting between Nick and the Perm Sec on 12 March. If POL press on this, you may want to:
and this

- Mention that, following No.10's steer, we are committed to establishing an independent review to ensure that the Post Office has learned the necessary lessons and to provide an external assessment of its work to rebuild its relationship with its postmasters.
- Say that we will need to secure Collective Cabinet Agreement before any further details are announced.
- Emphasise that we will obviously want to ensure that any review does not undermine the CCRC's work, the separate Director of Public Prosecution's consideration or the BEIS Select Committee's Inquiry on issues emerging from the Horizon IT Court cases.

Coronavirus Planning

OFFICIAL SENSITIVE: COMMERCIAL



Department for
Business, Energy
& Industrial Strategy

- At the Board discussion on 10 March, POL discussed the need to seek some guidance on what services they would need to provide in specific scenarios e.g. cash distribution in a lock-down scenario. Welcome POL's input into the department's assessment of COVID readiness and encourage them to continue discussions with the BEIS policy team and wider OGDs – especially HMT and DWP to ensure potential restrictions on cash do not negatively impact vulnerable customers – to keep abreast of the latest guidance.

2. POL's 4YP, Purpose, Strategy and Growth and strategy ahead of the Spending Review

- Acknowledge that POL is still in the process of bringing its Purpose, Strategy and Growth (PSG) work that has been supported by McKinsey into a detailed 4 Year Plan (4YP) to March 2024.
 - Ask POL to update you on the process so far on the development of PSG and the 4YP.
 - Note that the POL Board on 10 March discussed the issues with putting together a budget given the uncertainties this year. Ask for POL's views on this.
 - Ask Nick to also update you on obstacles to overcome before approval at the next POL Board.
- To be aware after the POL Board on 10 March the possibility of Al Cameron's (Chief Financial Officer) departure was discussed. You may want to probe for an update on this.

Spending Review

- Say that you are pleased to hear that POL are working closely with BEIS and UKGI on developing a robust Spending Review case.
 - Mention that you are aware that there will be clear pushback from HMT on a continued £50m subsidy for POL, so POL need to be able to have a better and more detailed narrative in order to support their case.
 - Reiterate that the POL data received so far has been very helpful but to develop a persuasive SR case for the subsidy we will need more on evidence of the likely impacts of their proposals and on changes in market conditions since POL's last funding was agreed. Acknowledge that POL's Finance team are working on delivering this.

Relevant context:

Alex Chisholm met with Nick Read on Thursday 12 March covering live issues including parliamentary scrutiny and commitments around the litigation, POL's PSG, 4YP and Spending Review case, the Post Office card account (POca) and POL's bonuses. We also attach a copy of a letter that Alex Chisholm sent to Tim Parker on 26 February, as part of the Department's annual process to outline our expectations of POL, as provided for in the agreed Framework Document.

OFFICIAL SENSITIVE: COMMERCIAL



Department for
Business, Energy
& Industrial Strategy

OFFICIAL SENSITIVE: COMMERCIAL



Department for
Business, Energy
& Industrial Strategy

Biographies:



Nick Read - Chief Executive. *Joined the Board in September 2019*

Nick joined Post Office as Chief Executive Officer in September 2019. Nick was most recently Group CEO at Extra Energy and prior to that CEO at Nisa Retail Limited where he led the stabilisation and transformation of the business ahead of its sale to the Co-Op in 2018.

Nick has over 25 years of consumer and commercial experience and has previously held senior roles at Tesco, Vodafone, HBOS, Lloyds Banking Group and Thomas Cook. In his earlier career, Nick was a Consumer and Retail Strategy Manager at Deloitte Consulting, a Purchasing Director for Aldi UK and spent 4 years as Captain of the 4th/7th Royal Dragoon Guard, H.M. Forces.

Tim Parker – Independent Chair, Post Office Limited



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.