

**Minutes of Shareholder Executive Board****Tuesday 11 October 2011 at 15.00**

**Members present:** Philip Remnant (Chair)  
Claudia Arney  
Pat Carter  
Gerry Grimstone  
Peter Schofield  
Tony Watson  
Stephen Lovegrove  
Anthony Odgers  
Mark Russell

**Attendees:** Roger Lowe (Item 5)  
Susannah Storey (Item 5)  
Peter Shortt (Item 6)

**Secretary:** Deeya Sawhney

<b>Agenda Item</b>	<b>Action point</b>	<b>Action officer</b>	<b>Due date</b>
<b>1</b>	Board members to send through an up to date list of appointments or any declarations of interests.	Board Members	December Meeting
<b>2</b>	Send letter to notify Board members of the extension of their term.	Philip Remnant	November 2011
<b>3</b>	Review relationship between ShEx, GPU and Cabinet Office in the New Year.	Stephen Lovegrove	2012
<b>5</b>	Provide an update on State Aid process and 'Plan B' options.	Susannah Storey	December 2011
<b>6</b>	Provide an update on Public Data Corporation proposals	Anthony Odgers	December 2011

**Item 1      Apologies for absence, Chairman's welcome and introduction, minutes from last meeting**

- 1.1 There were no apologies for absence. The minutes of the previous meeting were accepted and the Board noted that the Investment Review process would be brought back to the Board in 2012. John McCready has stepped down from the Board as responsibility for GPU has moved to Cabinet Office. Board members noted that Board papers will now have an indication of action for the Board e.g. to note, to endorse. Philip asked if Board members could send through an updated list of their other appointments or any declarations of interest; this will now be a standing item. Gerry asked the Board to note he is now lead non-executive for Ministry of Defence.

**Actions**

- Board members to send through an up to date list of appointments or any

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declarations of interests.

### Item 2 Update on the Chairman

- 2.1 Philip updated the Board on the process of hiring a new Chairman. Four candidates were interviewed by Philip, Peter Schofield and Philip Rutnam; Patrick O'Sullivan, the current chair of Old Mutual, was selected and will take the position from March 2012.
- 2.2 Philip commented that Board members' two year term of appointment was coming to an end. The new Chairman may want to consider the constitution of the Board but in the interim Philip would write to Board members to extend their term.

### Actions

- Send letter to notify Board members of the extension of their term.

### Item 3 Chief Executive's Report

- 3.1 Stephen ran through his Chief Executive's report. The physical move of GPU to Cabinet Office will take place in 2012. A range of continuing engagement mechanisms with ERG have been agreed, including: Lord Carter sitting on the ERG Board; Mark Russell sitting on the Property Advisory Panel; and a requirement for ShEx to be consulted on transactions above £30m. ShEx would probably be consulted on the transaction process and offer general, rather than property specific, advice; we are also expected to be heavily involved with the Property vehicles. We will have to continue to monitor the relationship between Cabinet Office and ShEx, and may have to ask HMT to get involved if the arrangements were not working.
- 3.2 There have been delays regarding the release of 800MHz and 2.6GHz Spectrum due to technical and legal issues. This auction process is being handled by Ofcom and does not impact the work that ShEx are undertaking to release 500MHz of Public Sector Spectrum; the Central Spectrum Release Group (CSRG) has already identified 470MHz of spectrum for release.

3.3

**IRRELEVANT**

3.4

**IRRELEVANT**

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- 3.5 Mark added that work has concluded on the wind-up of Southern Cross and Government intervention has been successfully avoided. Philip and Stephen added that Ministers have written complimentary letters to ShEx and that this was a real achievement for Mark and his team.

### **Actions**

- Review relationship between ShEx, GPU and Cabinet Office in the New Year.

### **Item 4 ShEx Resources**

- 4.1 Stephen went through the note on ShEx Resources; there has been an under-spend due to the recharging of advisor fees back to Royal Mail. However, advisor fees are expected in 2012 for work on PDC but it may be possible to charge the costs back to the companies.
- 4.2 Regarding the recent SCS competition in BIS, 9 assistant directors applied with 7 going through to the assessment centre; 40% was the average success rate for the Department. Churn at Grade 5 level is expected but we have been actively planning for this; this has not been easy in the current environment due to increased bureaucracy. The approval process and restrictions on Civil Service pay for appointing Chair and Board member positions has also become increasingly difficult. Stephen is currently working on a project to streamline Corporate Governance in BIS, which has the approval of Andrew Witty (lead BIS non-executive Board member). Claudia added that the process seemed very cumbersome and would be happy to help with this project.

### **Item 5 Royal Mail**

- 5.1 Susannah Storey and Roger Lowe joined the meeting to update the Board on Royal Mail. The team were still working through the State Aid case and have been thinking about contingency plans; Board members will be updated on both issues in December. Ofcom are set to unveil a new regulatory framework and Pensions advisors have been appointed. Post Office Limited has a new Chair, Alice Perkins and the consultation on Post Office mutualisation consultation has been launched and will close in January 2012.
- 5.2 In discussion, Board members asked about the Pensions solution. Susannah answered that this will be implemented from March 2012 so there will be no deficit but a £1.5bn – 2bn fund will still be left with the company.

### **Actions**

- Update on State Aid process and 'Plan B' options.

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### Item 6 Public Data Corporation

6.1

6.2

**IRRELEVANT**

#### **Actions**

- Update on Public Data Corporation proposals.

### Item 7 Any other business

7.1 Board members raised no other topics for discussion.

**Deeya Sawhney**  
**ShEx Board Secretary**