
From: Creswell, Carl (Professional Business Services, Retail & Post Directorate) [GRO]
Sent: Mon 04/11/2019 10:30:02 AM (UTC)
To: Aldred, Tom - UKGI [GRO]; Cooper, Tom - UKGI [GRO]
White, Beth (Professional Business Services, Retail & Post Directorate) [GRO]
Cc: Cole, Alex - UKGI [GRO]; Bhargava, Pranita (BEIS) [GRO]
Subject: Few points from POL Chair meeting

OFFICIAL-SENSITIVE: COMMERCIAL

Many thanks, Tom.

I thought that the meeting between Alex and Tim went pretty well last week. Tim had clearly prepared thoroughly and quoted quite a lot from his brief during the meeting. The discussion was harmonious and Alex said at the end that he agreed with the points that Tim had made.

Alex underlined the importance of culture and reputation, as you would expect, especially the need to get ahead of negative stories that would be likely to come if the judgment goes against POL. Alex also quoted the Select Committee's recommendation that Government should review the mechanisms we have to hold POL to account.

On the litigation, Alex was keen that POL (and we) take HMT with us when making the argument about any potential settlement. I personally thought that Tim was still quite defensive and his initial reply about how POL would respond to a negative judgment was that they would commit to do more to tackle errors, rather than seeming to accept any POL blame. Tim was also very confident that the Horizon system would still be viable in any scenario.

I thought what Alex was looking for on the litigation was pretty much the same as what we are already doing; there was though a strong message from Alex that we may not have much time to get approval from HMT for any settlement offer envelope. Tom C said to Alex that it would be helpful to have a separate discussion with him about the litigation and I've followed up to underline how helpful that would be for us.

On actions, Tim and Alex asked us to press on the NED appointments (which I've done, though no result yet). Alex also said, when prompted, that he would like to proceed with his plan for Nick and Tim to present the results of the PSG work to him when it is completed, probably therefore in January.

Tom C – do feel free to add or comment on the above!

Thanks to everyone who contributed to the briefing, which appeared to hit the mark for Alex.

Thanks,
Carl.



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From: Aldred, Tom - UKGI [GRO]

Sent: 01 November 2019 12:23

To: Creswell, Carl (Professional Business Services, Retail & Post Directorate) <[REDACTED] GRO> Cooper, Tom - UKGI <[REDACTED] GRO>; White, Beth (Professional Business Services, Retail & Post Directorate)

[REDACTED] GRO
Cc: Cole, Alex - UKGI <[REDACTED] GRO> Bhargava, Pranita (BEIS) [REDACTED] GRO

Subject: RE: Shareholder meeting - Agenda

Carl

Thanks for your response. You raise some good points. It's also usual for UKGI assets to give a review against performance. The reason I'd excluded is that we get very good sight of this already, but happy to add.

Also happy to remove bonuses if you think it was sufficiently covered yesterday. Personally I'd like to keep the Board update in, not least because I'm not totally convinced that Tim takes it that seriously and it is a signal to him that we do.

The agenda is very long, so suggest we keep LEO sleeves for AOB (along with strikes) if there is time. If we wanted to shorten further, I'd suggest taking out the IT update. Important, but there's only so much to cover.

I've given a revised agenda below. **Tom C – what do you think?**

If you've time, I'd welcome a bit more detail on how the meeting with Tim went.

Tom

Performance

1. Update on performance against targets - finance and operational. POL to provide short paper

Governance

2. View from the Board, including new NEDs (POL)
3. Management and capability (POL)

Policy

4. Purpose, Strategy and Growth (POL)
5. Long Term Vision, including social purpose and network size (BEIS)
6. Future of subsidy (BEIS)

Operations and strategy

7. 5 Year Plan, including discussion of aspirational targets and future cost structures/efficiencies (POL)
8. Decision-making and use of data (POL)
9. Litigation (UKGI)
10. IT update (POL)
11. AOB*

*if time allows ask about Strikes and LEO

Tom Aldred, Post Office Shareholder Team, UKGI

T: [GRO] M: [GRO]

From: Creswell, Carl (Professional Business Services, Retail & Post Directorate) <[GRO]>

Sent: 31 October 2019 19:15

To: Aldred, Tom - UKGI <[GRO]>; Cooper, Tom - UKGI <[GRO]>; White, Beth (Professional Business Services, Retail & Post Directorate) <[GRO]>

Cc: Cole, Alex - UKGI <[GRO]>; Bhargava, Pranita (BEIS) <[GRO]>

Subject: Re: Shareholder meeting - Agenda

Hi Tom,

Thanks for getting back to me on this.

I'm happy with the idea of broadening out the agenda, but from previous sponsorship experience (and reflecting on our long session with Tim earlier!) I think we are being too ambitious about what we can cover in two hours. With Tim there as well as Nick, it is going to be hard to give everyone a say and get through the essential material.

I would therefore propose dropping:

- item 1 because we have read the appointment papers and it will be too early to tell how the NEDs are contributing;
- item 3 because UKGI is all over this with POL and you have a clear way forward, plus Tim and Tom covered it with Alex today. There's also little to be gained in raking over the bonus sensitivities again;
- item 4 because I think it's fairly operational;
- item 12 because we can cover it under AOB if needed.

I also do still feel that we need a quick summary from POL at the start about their delivery against current targets. Again, that's been standard for every other body that I've sponsored and I think it sets the tone that they are reporting to us as their shareholder, even if their performance is straightforward. I would also still ask POL to give us some written material (even if only a couple of slides) to support that discussion.

How does that sound? My main point is that I think we need to be a bit more realistic about what can be covered!

And thanks for being flexible on the timing of BEIS items. I'll be there for the first hour and a half.

Thanks,
Carl

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From: Aldred, Tom - UKGI <[GRO]>

Sent: Thursday, October 31, 2019 5:13:31 PM

To: Creswell, Carl (Professional Business Services, Retail & Post Directorate) <[GRO]>; Cooper, Tom - UKGI <[GRO]>; White, Beth (Professional Business Services, Retail & Post Directorate) <[GRO]>

Cc: Cole, Alex - UKGI <[GRO]>; Bhargava, Pranita (BEIS) <[GRO]>

Subject: RE: Shareholder meeting - Agenda

Carl, Tom

Thank you for your response. Tom and I had a separate discussion on this yesterday, and he is keen to broaden out the agenda. I've also taken some advice from other UKGI teams on what is typically covered – usually there are standing items for governance and performance/operations. Below I've tried to bring these all together in a revised agenda. I've suggested we don't leave policy till the end as Carl needs to leave early.

To note that Tim Parker will be attending. Given the centrality of the chair in the UKGI-asset relationship, I've suggested that we start with his area.

I appreciate the agenda is long. I don't think we need to ask for papers, but have indicated where we expect POL to lead the discussion. We should also ask them if there is anything they want to add to the agenda – it is also designed to be a forum where they can raise concerns or ask for assistance.

Are you content with the below?

Draft Agenda

Governance

1. Board update, including new NEDs and what they bring (POL, TP)
2. Management and capability (POL – TP, NR)*
3. Future of LTIP and STIP (POL)
4. LEO update (POL)

Policy

5. Purpose, Strategy and Growth (POL)
6. Long Term Vision, including social purpose and network size (BEIS)
7. Future of subsidy (BEIS)

Operations and strategy

8. 5 Year Plan, including discussion of aspirational targets and future cost structures/efficiencies (POL)
9. Decision-making and use of data (POL)
10. Litigation (UKGI)
11. IT update (POL)
12. RM Strikes (POL)
13. AOB

* I've not included succession planning as a separate topics as I don't think this will be a good forum with AI in the room. Instead I suggest we make clear under the next point that we expect it to be robust, and to improve on recent practice!

Tom Aldred, Post Office Shareholder Team, UKGI

T: GRO | M: GRO

From: Creswell, Carl (Professional Business Services, Retail & Post Directorate) GRO

Sent: 31 October 2019 08:42

To: Aldred, Tom - UKGI GRO; Cooper, Tom - UKGI GRO; White, Beth (Professional Business Services, Retail & Post Directorate) GRO

Cc: Cole, Alex - UKGI GRO; Bhargava, Pranita (BEIS) GRO

Subject: RE: Shareholder meeting - Agenda

Hi Tom,

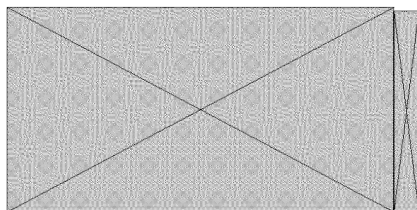
I think it would be good to go for a high-level agenda along something the following lines:

1. POL performance against key targets [*on the basis of a short paper from POL, perhaps using one of the existing documents that they produce for their Board / UKGI*]
2. Update from Nick Read on their PSG work [*ideally on the basis of an updated presentation from POL & McKinsey*]
3. Latest on BEIS policy thinking
4. Live issues
5. AOB

We could then flag with them if there are specific areas we want to drill into in more depth for each of the areas.

Does that sound like it would work and cover all our main interests?

Carl.



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From: Aldred, Tom - UKGI [REDACTED] GRO >
Sent: 30 October 2019 15:00
To: Cooper, Tom - UKGI <[REDACTED] GRO>; White, Beth (Professional Business Services, Retail & Post Directorate) <[REDACTED] GRO>; Creswell, Carl (Professional Business Services, Retail & Post Directorate) <[REDACTED] GRO>
Cc: Cole, Alex - UKGI <[REDACTED] GRO> Bhargava, Pranita (BEIS) <[REDACTED] GRO>
Subject: RE: Shareholder meeting - Agenda

At present, Nick and Al.

We could request others.

Tom Aldred, Post Office Shareholder Team, UKGI

[REDACTED] GRO

From: Cooper, Tom - UKGI <[REDACTED] GRO>

Sent: 30 October 2019 14:58

To: Aldred, Tom - UKGI <[REDACTED]@ukgi.gro> White, Beth (Professional Business Services, Retail & Post Directorate) <[REDACTED]@ukgi.gro>; Creswell, Carl (Professional Business Services, Retail & Post Directorate) <[REDACTED]@ukgi.gro>

Cc: Cole, Alex - UKGI <[REDACTED]@ukgi.gro>; Bhargava, Pranita (BEIS) <[REDACTED]@ukgi.gro>

Subject: RE: Shareholder meeting - Agenda

Who is attending from POL?

Tom Cooper

Director

UK Government Investments

1 Victoria Street | London | SW1H 0ET

T: [REDACTED]
M: [REDACTED]
E: [REDACTED]
PA: [REDACTED]

From: Aldred, Tom - UKGI <[REDACTED]@ukgi.gro>

Sent: 30 October 2019 12:44

To: Cooper, Tom - UKGI <[REDACTED]@ukgi.gro> White, Beth (Professional Business Services, Retail & Post Directorate) <[REDACTED]@ukgi.gro>; Creswell, Carl (Professional Business Services, Retail & Post Directorate) <[REDACTED]@ukgi.gro>

Cc: Cole, Alex - UKGI <[REDACTED]@ukgi.gro>; Bhargava, Pranita (BEIS) <[REDACTED]@ukgi.gro>

Subject: Shareholder meeting - Agenda

We should let POL have an agenda for the Shareholder Meeting, due on 13 November. We have two hours with the CEO and CFO and we can determine the topic. I think we are all agreed that the focus should be on the outcomes of Nick's strategy review. I'd welcome your views on

1. Do we want to specify some questions for POL to address, or should we leave it open? Questions from the UKGI side could be

- a. Thoughts on an 'aspirational' commercial target for the business at the end of the 5 year period
- b. Where and how do you plan to drive efficiencies?
- c. Emerging conclusions on 'big bet' investments and how will you get a better grip on change spend?

2. Should we try to cover anything else in the session (eg Long Term Vision, outreaches, Agent Pay, change spend, governance). My hunch is no – the PSG should be enough.

Would be good to get a clear commission to POL before the end of the week.

Tom

Tom Aldred | Executive Director

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