POST OFFICE LIMITED BOARD MEETING
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MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF POST OFFICE LIMITED HELD ON TUESDAY 29 OCTOBER 2019 AT 20 FINSBURY STREET, LONDON EC2Y 9AQ AT 11.45 HRS

Present:	Tim Parker	Chairman **(TP)**
	Nick Read	Group Chief Executive Officer **(NR)**
	Ken McCall	Senior Independent Director **(KM)**
	Tom Cooper	Non-Executive Director **(TC)**
	Tim Franklin	Non-Executive Director **(TF)**
	Carla Stent	Non-Executive Director **(CS)**
	Alisdair Cameron	Group Chief Financial Officer **(AC)**
In attendance:	Veronica Branton	Company Secretary **(VB)**
	Dan Zinner	Chief Transformation Officer **(DZ)** (Items 4. & 5.)
	Robin Nuttall	Partner, McKinsey **(RN)** (Item 5.)
	Debbie Smith	CEO – Retail **(DS)** (Items 6. & 7.)
	Owen Woodley	CEO – FST&I **(OW)** (Items 8. & 9.)
	Cathy Mayor	Finance Director – Retail **(CM)** (Item 6.)
	Amanda Jones	Retail Director **(AJ)** (Item 6.)
	Nick Beal	Head of Agents' Development and Remuneration **(NB)** (Item 6.)
	Andrew Goddard	MD – Payzone Bill Payments Limited **(AG)** (Item 7.)
	Mark Siviter	MD – Mails **(MS)** (Item 7.)
	Meredith Sharples	Telecoms Director **(MS)** (Item 8.)
	Alan Watts	Herbert Smith Freehills **(AW)** (Item 10.)
	Ben Foat	General Counsel **(BF)** (items 10. & 11.)
	Laurence O'Neill	Senior Legal Counsel HR & IR **(LO)** (Item 11.)

Action

1. Welcome and Conflicts of Interest

A quorum being present, the Chairman opened the meeting. The Directors declared that they had no conflicts of interest in the matters to be considered at the meeting in accordance with the requirements of section 177 of the Companies Act 2006 and the Company's Articles of Association.

2. Minutes of Previous Board meetings including Status Report

The Board **APPROVED** the minutes of the Board meetings held on 23 September 2019 and 3 October 2019.

The Board **NOTED** progress with the completion actions as shown on the action log. It was reported that the action from 23 September 2019 to set out the points at issue between us and Royal Mail and what a good outcome would look like would be covered in the November Board paper.

It was requested that the month in which papers would come to Board should be specified.

3. CEO Report

Nick Read introduced his report which included his initial observations of the business and the early priorities he was establishing. He wanted to drive accountability and had met with each Group Executive Member and their direct reports to set and review the tactical objectives for Q3. A clear operating rhythm was being established and from 18 November 2019 this would include a weekly trading meeting and a "10 at 10" with the Group CEO each Wednesday to talk about performance and invite questions. All of the main Post Offices sites would be visited. This would increase understanding of and engagement with performance and allow us to celebrate successes.

Separate growth and cost meetings would take place each month. This separation was possible currently because the business was relatively immature. We needed to track the progress of projects through their lifetime and performance against KPIs. The L40 was meeting every fortnight with an initial focus on Purpose, Strategy and Growth (PSG).

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The Barclays announcement to reverse its decision not to allow their customers to use Post Office for banking withdrawals was an excellent outcome. The Board asked that their thanks be conveyed to those at Post Office who had influenced this policy reversal.

NR had not yet done enough broader communication to explain the PSG work but would be doing so.

Work was taking place to determine our "Big Bets", which would come back to the Board at the end of November 2019. November would be a critical month for determining priorities and the implications of those priorities. The work on PSG would culminate at the end of January 2020.

NR wanted to hold regional meetings with postmasters. We had to signpost that the relationship was going to change. The narrative on this needed to be written. We were already working with small groups of selected postmasters to discuss the work on "Big Bets."

NR was working through who his direct reports needed to be but were likely to consist of 10 people, including marketing, operations, digital and transformation. There would be a differentiation between direct reports and the Group Executive. We were at the shortlist stage for an HR Director which would be an important appointment, particularly with DMB franchising and the cost savings the business required. There were gaps in external engagement for communications and interviews were taking place for the Communications Director role. NR was also discussing people's plans and wishes with GE members.

Getting the franchise organisation and operation right was important and we needed more franchise expertise in the business.

A number of points were raised, including:

- What did NR need from the Board? NR requested some patience initially as questions such as agents' remuneration and Payzone covered in today's Board papers were inconclusive. He would be seeking the views of the directors individually about the construction of GE and GE minus 1 and who we should be looking to keep and develop. KM noted that we also needed to consider how you we structured communications and engagement with postmasters
- That we would need to submit the STIP proposals for 2019/20 and provisional LTIP proposals for 2020/2022 to the Shareholder, in advance of the final Five Year Plan being agreed by the Board in March 2020. The recommendations would need to be approved by the Remuneration Committee prior to submission to the Shareholder. AC noted that the delayed sign-off of the Five Year Plan and uncertainties around future government funding arrangements and timelines presented challenges and we would have adopt a flexible approach — To do: **AC/ Lisa Cherry**
- Tim Parker would contact our Minister, Kelly Tolhurst, to request that the approval of the POL Non-Executive appointments were agreed as soon as possible to avoid the delays that would occur if Parliament went into recess — To do: **TP**
- that it would be helpful to get some decisions on the shape of NR's leadership team by the end of the year
- that poor compliance with the Dangerous Goods Act was a concern. The Board requested to see the process map for how we sought to ensure compliance. — **Executive**

4. Finance

4.1 *Financial Performance Report*

Al Cameron introduced the report. There had been change in P6 with travel stabilising but the market remaining poor and insurance and telecoms both underperforming against plan. Our insurance broker was not able to explain the increase in cancelled protection policies which had led to us increasing the provision by £1m in P6. P6 trading profit was £0.7m adverse on an underlying basis, £0.4m year to date (YTD). The first consolidation of the 6 + 6 forecast showed us missing plan by £4m (£70m against a £74m target). Action was underway to correct the position, including accelerating the work on spans and layers and minimising discretionary spend.

Russell Hancock, the Supply Chain Director, had negotiated with the Bank of England to vary the vault opening hours before Christmas which would improve our position with holding cash and cash REMs.

A number of points were raised, including:

- that we needed to make sure we had the right coverage in the Risk and Compliance functions. The Risk Team leadership had taken voluntary redundancy so coverage in that area needed to be

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monitored closely. It was reported that we were working through our core baseline requirements which linked to our ability to deliver the PSG work

- Network dependency:
  - how developed was our work on contingency planning in the event of a partner going into administration?
  - how were we addressing network numbers and considering both current partnerships and our future partnership requirements?
  - was there scope to re-designate any Payzone locations? We had 22,000 network locations so it would be helpful to understand the minimum viable proposition for a Post Office.

It was reported that re-designation of Payzone locations could be challenging because of SGEI requirements and any such change was likely to require re-negotiation with Government. Until we could change the access criteria it would be better for us to have a buffer of a few hundred branches. Provision of a buffer could include acquiring more vans for outreach services but this would take some months to put in place. It was **AGREED** that we would return to Board with a network dependency strategy. **Executive**

- where were we on considering the implications of the expiry of support for Oracle? It was reported that Shikha Hornsey, CIO, was focussed on this question as part of the wider questions on the Horizon system and this would be discussed at the GE meeting in a fortnight. SH was confident about being able to exit the Belfast Data Centre over the next year but we needed to see and review the plan. This plan would be shared as part of the November CEO report to the Board. **Executive**

4.2 *Quarterly Delivery and Funding Report*

Dan Zinner introduced the report. There had been underspend in the quarter, largely driven by greater scrutiny of business cases. Large investment spends would not be approved until PSG was completed and there was likely to be underspend in the next quarter for this reason.

It was reported that the interest rate assumptions included in the Peregrine (Bank of Ireland negotiations) business case were not as predicted but total benefits over the period remained on track. Al Cameron would arrange to take Tom Cooper through these figures offline. **AC**

The Board **NOTED** the contents of the paper, including the approach of FY19/20 Budget for Change Spend, and **DELEGATED AUTHORITY** to Al Cameron to finalise the precise details and supporting documents with UKGI.

5. Purpose, Strategy, Growth (PSG) presentation

Nick Read introduced the item much of which flowed from the first survey of the L40 on the purpose of the Post Office. We were also working with BEIS to make sure that our thinking was aligned and that the outcome would be suitable for all stakeholders. The whole business was being assessed, including carrying out an Organisational Health Index (OHI), understanding where we were profitable and building a base case.

Robin Nuttall provided an overview of objectives and timing; early thinking on purpose; the culture and behaviours of the business which was being tested through the OHI; technology, both critical risks and enablers, how we wanted to serve customers and the enabling model. The Board's input was sought on all these issues.

RN noted that the work on purpose went beyond a mission statement. It was looking at what was unique about Post Office. The social purpose and the commercial purpose. The markets we played in and those we did not. This work would be informed by a customer survey.

The work on the culture and behaviours of the business would be informed by the OHI and would be translated into a prioritised set of business initiatives.

This was set against a backdrop of Post Office having an exceptional physical network with a wide reach; the rise of super convenience in retail which Post Office could tap into; a strong brand with the scope to move online. It was a common trend across Europe to franchise out branches and we could not make the economics of DMBs work. The costs associated with delivering the SGEI needed to be clearly defined. Most postal services in Europe received direct government subsidies. We would need to consider whether there was scope to use cross subsidies to fund our social purpose and/ or

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we needed to change our network so that over time there were, for example, a smaller number of branches with more pick up points.

A number of points were raised, including:

- how would the work interface with postmasters? It was reported that we would be engaging with postmasters and requesting that they complete a short survey
- It was felt that we should be looking wider than the UK postal landscape to be able to benchmark our position. We also needed to consider disruptors such as Amazon
- that other postal services did not separate out the front office from the distribution network . We were not realising the proper synergies of being the front office for R oyal Mail. We should be managing a much smaller cost structure
- there were lessons to be learnt in parcels e.g. Deutsche Post, which had taken the strategic decision to be owner of th e first mile and the last mile
- we needed to think strategically about how we managed the short, medium and longer term, including our partnerships. A player like Amazon could be a customer in the short term and a competitor in the longer term
- we needed to understand the value of our assets (e.g. the trust relationship we had with vulnerable customers)
- we needed to understand our demographic. The over 65 population would grow and had greater access to wealth than many demographics
- we needed to strip everything back to see where we made profit in the network and where were should make profit in the network (the true direct contribution) . We should not confuse arguments about public purpose and ownership. It was noted that currently we did not make much money from mails and banking but broadly through our financial services products. We had to set out what the most efficient solution would be and then say, if, and why, elements of it were not achievable
- most of the products we sold made a reasonable contribution but our central costs were too high. The danger of focussing on moving products in and out was that this was not likely alter central costs such as IT significantly
- we needed to understand the cost of sales and what we had given up by being separated out from RM
- did we have an unavoidable obligation to be the last provider of cash? It was thought that the shareholder saw the provision of cash as a primary role for the Post Office and that it needed to be accessible in most branch locations. The Shareholder was aware that the network was not fit for purpose currently and the work being undertaken would give us the scope for a proper discussion with BEIS. We needed to explore whether there was a better way to configure the network for customers and for us with Government funding compliance with SGEI measures. We needed to understand what Government was trying to achieve with the Post Office and make these objectives explicit. We needed to be clear what we were delivering, at what price and what the social objectives were. 11,500 branches was not likely to be the right number but there needed to be a case to change this
- we needed to compartmentalise aspects of the business and answer questions such as a) what was the most efficient way to be front office for RM? b) what does it means to be a cash business? c) what do we mean by social purpose? d) which vulnerable customers are we trying to reach and through which channels? Once we could answer these questions we should consider all our other business lines and whether they aligned with our core purpose. This had to be informed by how other postal services and disruptors were developing. We then had to overlay our unique circumstances (e.g. social welfare provision. Decline in government servic es through Post Office)
- we needed to define what we meant by a cash utility. For example, does this entail an ATM being within a specified distance of a specified percentage of the population? It was noted that deposit transactions were largely driven by business customers
- we needed to test the value of our brand in different parts of our business (e.g. did it have particular relevance in post but less in insurance? Would the brand be valued by a third party and what would they do with it?).

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Big Bets

RN noted that potential "Big Bets" were being evaluated against financial return, do-ability and fit with purpose (convenience, ease of use). It was requested that we add to this risk and the degree of control we had over outcome. **To do: McKinsey**

A number of points were raised, including:

- that a number of new services (e.g. energy) were included on the list and we had discussed previously potential new services such as prescription delivery. How would we get to a complete list? It was reported that this would be an iterative process. Any proposed "Big Bet" would have to meet the criteria and as we were already trying to do too much the list would need to be pared down. A test of a good strategy was also what it excluded. The "Big Bets" had to be resourced properly and that required taking resources away from other areas. We should be more tolerant of smaller initiatives and investments where these supported our core, including strength in parcels
- we could explore the synergies achievable through a merger with another organisation. Partnerships would be critical.

A landscape overview on postal services (and some analysis on disruptors) in other parts of the world, including their networks, what subsidies they received, how they sought to drive growth etc., would be produced for the November Board discussion. **McKinsey**

6. Agents' Remuneration

Debbie Smith provided an overview of the paper. The development of the retail strategy had originally been discussed by the Board in July 2018 since when the Common Issues Trial Judgment had been issued, the Select Committee hearing on the Post Office network had taken place and calls for increases in agent remuneration had increased. The fragility of the network, the struggle to attract new postmasters and churn all supported the need review agent remuneration. An additional £17m funding into the network had already been announced, largely linked to the increased transaction fees supported by Banking Framework 2. We had already communicated that there would be further announcements on agents' pay in November 2019.

The executive had been discussing options and were moving to the view that we should be spending a further £20m now and retaining £10m for potential further spend which might to link to incentives for postmasters. This was seen as a minimum requirement to stabilise the network in the short term pending a more thorough review. The proposals had been informed by insight from 50 postmasters from different parts of the network. We were attempting to focus the most benefit in the right places.

A number of points were raised, including:

- were the proposals sufficiently targeted at securing our desired outcome of stabilising the network? To what extent was this a network subsidy payment driven by wanting to avoid any postmaster operating below the national minimum wage and to what extent something we were funding to drive growth?
- there was a danger of trying to do too many small things (for example, spending money on store standards) and careful design would be required to achieve the outcomes we wanted. It was noted that we would need to measure the outcome of the investments and look at what was going to provide sustainable value in the longer term
- our starting proposition appeared to be that we were paying postmasters too little but could this be evidenced (for example, other franchises like PayPoint had much less generous arrangements in place on the provision of equipment and we knew that we were overpaying for some transactions)? An 8% increase in the overall bill was significant. It was reported that the adverse feedback on remuneration/ value associated with running a Post Office was coming for our multiples as well as individual postmasters
- how did the figures map across to the most vulnerable areas? We needed to remember that Post Office created significant footfall for multiples like the Coop
- that the retail team was handicapped by a lack of data about branch profitability and the position of our multiples. Employment costs were key and there was a step change in costs for agents if they had to employ an additional employee

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- that we were not solving the issues systemically and there was nothing to stop ongoing requests for additional funding when we were already failing to operate profitably
- that the proposals were focussed on stabilising the network over the next couple of years. Gaps would emerge as Banking Framework volumes dropped. We needed to con sider whether we wanted to restructure the network
- that we still needed a deeper review on remuneration rates
- the paper needed to be clear whether any element of the remuneration increases were dependent on BEIS funding
- an efficiency lens would be helpful because our attractiveness as a franchise was not just about remuneration but also about how we make things simpler for postmasters . It was noted that part of PSG work was looking at the simplification of setting up and running a Post Office and linking everything back to our attractiveness as a franchise
- we were working on the assumption that these measures would allow us to maintain th e network at its current level but could this be substantiated? It was noted that it was difficult to evidence a "tipping point" that led to a postmaster leaving and if we had a better understanding of the triggers this is what we would be targeting
- whether this work had been aligned with the work on Starling (workers' rights case). It was reported that this had been factored in, including when looking at potential arrangements for leave cover
- we were not thinking sufficiently about the future shap e of our network when setting postmaster remuneration. We needed to strike a sustainable economic relationship with our postmasters and could not yet identify the "tipping point" for leaving Post Office or for being an attractive franchise proposition
- we were a franchise operation overlaid by a social purpose but we had to be clear that social purpose linked to customers rather than postmasters
- the narrative and communications for the announcement on the additional investment and agents' remuneration would be critical.

Chairman's summary:
The Board was concerned that we could be committing to investments which would not achieve the desired outcome. There was a danger of a continuing demand for additional funds that we could not afford. Agents' remuneration and network stability needed to be analysed further . Post Office needed to be attractive as a franchise and be able to attract the right postmasters but we did not know enough about financial situation of postmasters. We needed to be paying the right fee for the right transactions and understand the different segments of postmasters and the challenges they faced. As a starting point the Board would like to see the workings behind the model. **AJ/ NB**

The Board **APPROVED** an additional £20m investment in agents' remuneration and support for changes which would be introduced from April 2020. The Board **DELEGATED AUTHORITY** to the Group CEO and CFO to finalise the list of initiatives included. The Board **APPROVED** holding a further £10m in the budget for potential additional spend on agents' remuneration and support which might include incentivising desired behaviours. Any additional spend would first need to be approved by the Board. The Board **APPROVED** the announcement of the changes in November 2019.

It was noted that the Group Chief Executive would be briefing the Minister in advance of the public announcement.

7. Payzone Bill Payments Limited

7.1 ***Strategy and Update***

Debbie Smith introduced the paper, explained the drivers for the acquisition and how we were looking at the network. Some income had been received later than expected, revenue from ticketing was under performing and integration costs were higher than estimated. However, while the s hape of returns was different we anticipated that the benefits would be realised overall.

A number of points were raised, including:

- that a 7% growth in market share through a non-Royal Mail pick up and drop off service (PUDO) seemed low? It was reported that the PUDO market comprised 160m items a year. We had around a 33% market share with RM with click and collect

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- what impact would buying Doddle have on POL systems? It was reported that Doddle would work outside Horizon. It was an application that would sit on the Payzone network and would drive footfall
- that the acquisition had been rational and we were making progress in gaining market share but we still had to consider whether this was an area we wanted to invest in when considering our other investment options if the quantum was small
- were we committed to signing the contract with British Gas? It was reported that we had not made an announcement but the position was already known publically because PaypPoint had reported its loss of the contract
- how did we think PayPoint's business would develop?
- that POL could not risk reputational damage linked to the operation of the Payzone business. Therefore, the business and the risks needed to be managed in the right way with accountability resting with its Managing Director
- would we make additional money from the BG contract? What were the incremental economics? It was reported that the British Gas contract was an enabler and facilitator for future contracts
- we needed to understand the future value we would be creating and understand all the opportunities owning the network provided us. It was thought that we might be underplaying these opportunities. It was noted that future value depended in part on IT costs because development of the service hinged on us moving to the cloud
- the Board was being asked to take decisions without a full understanding of all the moving parts, such as IT costs and it not been clear when we were bidding for the acquisition that we would need to invest more to win additional contracts. It was noted that the risks of not moving to the cloud were significant and the worst case outcome would be to sign up to the BG contract and then only use Horizon integration Hub (HiH) for this. We would need to take a commercial view on future deals and also consider how PayPoint was likely to react to Payzone acquiring additional market share.

It was **AGREED** that a better explanation of how the integration costs had been developed compared to the business case approved by the Board when the acquisition was made would be provided. **AG**

7.2 **British Gas Contract**

The Board **APPROVED** the request for £5.6m Project Authority to facilitate Payzone's delivery of the British Gas contract.

7.3 Panther (Payzone) Change Request

The Board **APPROVED** the request for £8.96m Project Authority for the 2019/20 post-acquisition funding within the Panther business case required for separating (from prior owners), stabilising, securing and integrating Payzone with Post Office.

8. Telecoms Strategy

Owen Woodley introduced the paper. A decision was sought from the Board to allow Fujitsu to submit a de-unified bid and accept the risks associated with this approach. We were not bound by full PCR (Public Contract Regulation) requirements but the process needed to be fair and transparent. There was a possibility that we accepted the risk and Fujitsu nevertheless dropped out of the process. If they were to drop out we would face exit and migration costs to a new supplier although the cost savings might be significant. A further paper would be brought to the November Board meeting with an update on initial bids received.

Meredith Sharples noted that there was a reasonable prospect that we would decide to sell the business but that we would have no indication of sale price for some while and would need Fujitsu's ongoing co-operation. We had the option of stopping the RFP at any time but needed to inform Fujitsu what we intended to do by 17 February 2020. Timings would be communicated to the bidders today and as early December 2019 potential bidders would be notified of intention to seek a possible sale. Bidders would be informed that we were seeking to maximise the value of the business on sale. The Board noted that an ongoing involvement for POL in telecoms should only be considered if there was a compelling offer from one of the bidders.

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Tom Cooper asked how robust our RFP process was. It was reported that the Telecoms Team had worked closely with the procurement team on documenting the process.

The Board discussed the option of a possible extension to the current a greement with Fujitsu which would be pursued, partly driven by the uncertainty on the timescales for Government approval to any outcome

The Board **APPROVED** the acceptance of the procurement risk associated with inviting the submission of a disaggregated bid and **DELEGATED AUTHORITY** to the CEO – FST&I and the Telecoms Director to make a counter offer to Fujitsu and invite them to make a disaggregated bid.

9. Next Steps on the Digital Identity Strategy

Owen Woodley introduced the paper. The Board **NOTED** the proposed short term approach and **APPROVED** a short-term extension with Digidentity, with sign-off of the terms delegated to the Group CEO and CFO. The contract expired in November 2019 but there was an option of a one year extension.

10. Group Litigation Update – subject to legal privilege

Ben Foat introduced the paper. The figures under consideration for the mediation would be discussed at the Postmaster Litigation Subcommittee. We would need to make a reasonable offer[1] to show that we were entering the mediation in good faith. Part 36 offers would be made if we were not successful and we would then need to go to a second mediation. The Horizon Issues Trial judgment would be issued shortly and we would receive 24 hours' notice of the embargoed judgment being released. An update on the known evidence logs (KELs) had been sent to the Board last weekend. The Court hearing on leave to appeal was taking place on 12 November 2019 and if we were successful the claimants were more likely to consider settlement. Mr Justice Fancourt had recently ruled on the Sheffield United case and had disagreed with Mr Justice Fraser's view on relational contracts in the Common Issues Trial judgment.

A number of points were raised, including:

- we needed to look at the whole picture including what costs might be associated with the convicted claimants. Delegated authority should be sought for the total mediation figure. Alan Watts reported that it was not necessarily a question of making an offer but looking at the figures based on a 12 month termination figure. We did not think the claimants' solicitors would be in a position to go through claimant by claimant and we were giving serious thought to what information we could share on our analysis of the claimants' cases without releasing all the work we had done. Our limiting factor was what we thought we would pay if we went through a court process, the other sides was their funding position . There was a potential to agree a number with the claimants' solicitors which covered all claimants and they could decide how to share this money
- how would a mediator assess all of the elements of the case such as expectation damages and stigma damages? It was reported that the mediator would have to look at the gap in the figures between the two sides. The absence of clear figures from the claimants would make it difficult for the mediator. The mediator's role was to help each party see the case through the other's lens
- we needed to reach a view on sums that might be associated with stigma damages and other elements that were more difficult to defin e
- a review of convicted cases had been discussed at the last Postmaster Litigation Subcommittee meeting, had any work taken place? BF reported that we were considering how this work might be undertaken and by whom. Any consideration of reviewing how Post Office Limited dealt with

[1] Post-meeting note: POL's Articles of Association require that Shareholder consent is obtained for spend above £50m. However, we have been advised that BEIS/ HMT's view is, that in the case of settlement, approval would be required for any figure. This is for a number of reasons, including that the potential settlement amount being discussed is only for part of the claimant group and so the eventual number could exceed £50m and that the expenditure could be considered to be "novel, contentious or repercussive" circumstances under which Managing Public Money guidance requires prior approval to be sought.

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the convicted cases would need to be discussed with Ministers. AW noted that we would have to satisfy ourselves that we had enough information to make those judgement calls and we were unlikely to have enough information to consider that before the mediation. The Horizon Issues Trial judgment would be issued shortly and the criminal claimants' position would need to be considered in light of that. Individual payments could not be made to convicted claimants. TC noted that the primary concern of the convicted claimants was for their conviction to be overturned. It was noted that these claimants had been convicted through the courts and we could only seek to offer help if we had information to suggest that any of these convictions were unsound.

The Board **NOTED** the updates in the paper including the approach being taken to mediation. The Board **AUTHORISED** the Postmaster Litigation Subcommittee to delegate to the General Counsel authority to make settlement offers at mediation on terms to be determined by the Subcommittee.

11. Starling (Workers' rights case) Update

The Board **NOTED** the approach, update and next steps. It was reported that we were satisfied with the 10 lead witnesses and our understanding of the risks associated with each case. Our witnesses would be prepared properly.

The Board **DELEGATED** decisions (including instructions on settlement receipt of making offers) for Starling to the Group Chief Executive Officer, CEO Retail and General Counsel. Significant decisions should be referred back to the Board.

12. Noting and governance items

12.1 **Horizon integration Hub**

The Board **NOTED** the intention to continue with the development of the Horizon integration Hub in order to deliver the next set of features that ensured delivery of services at scale to the appropriate service levels.

It was noted that approval for the development of RPos had been granted as it was required for the delivery of the British Gas contract. Self Service Kiosk development proposals (SSKs) had not yet been considered because a number of Horizon system issues had first to be determined.

12.2 **Health & Safety Report**

The Board **NOTED** the Health & Safety Report.
A number of points were raised, including:

- whether we taking enough action in response to the increase in knife attacks, such as providing stab jackets? AC reported that we were having another look at the use of stab jackets which were always provided where requested. We would keep the position under review but demand for stab jackets had tended to be limited because of their weight but with lighter materials available that might change. Other responses to the increase in knife attacks, such as issuing more fogging devices, were being considered. AC would make sure that the review of the use of stab jackets was accelerated as quickly as feasible **To do: AC**
- How many of the high risk ATMs had we got under gas suppression? AC reported that all the high risk ATMs were covered. If was clear that if criminals knew that the cash would be destroyed when an ATM or van was targeted they would not attempt the theft.

12.3 **Sealings**
The Board **APPROVED** the affixing of the Common Seal of the Company to the documents set out against items number 1827 to 1841 inclusive in the seal register.

12.4 **Future Meeting Dates**
The future meeting dates were **NOTED.**

12.5 **Forward Agendas**
The forward agenda was **NOTED.**

13. Date of next meeting:
26 November 2019

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Post Office Limited Board Actions as at 19.11.2019

REFERENCE	ACTION	ACTION OWNER (GE)	DUE DATE	STATUS	OPEN/CLOSED
Board Meeting 24 May 2018					
2. Future of Banking Framework	It would be useful to have a refresher on ATMS and the history of POca before coming back to the Board on our developing strategy on these issues.	Debbie Smith/ Martin Kearsley	~~January 2019~~ ~~July 2019~~ ~~Autumn 2019~~ By end of financial year	The ATM strategy is coming to a conclusion with input from an OJEU procurement process to gather market data and costs. The strategy evolution is being individually briefed to all Board members in the next two weeks, prior to a formal presentation in Q4 at the appropriate Board Meeting.	**Open**
1. Retail Strategy	The ATM Strategy should factor in our whole Cash Strategy. (We needed to analyse an **investment in cash machines** carefully looking at how far we would move to being a cashless society in the next 3-4 years).	Debbie Smith	~~July 2019~~ ~~Autumn 2019~~ By end of financial year	The ATM strategy is coming to a conclusion with input from an OJEU procurement process to gather market data and costs. The strategy evolution is being individually briefed to all Board members in the next two weeks, prior to a formal presentation in Q4 at the appropriate Board Meeting.	**Open**
3. Banking Framework 2	To include the impact of a drop in banking transactions in the next Banking Framework report to Board.	Martin Kearsley	~~For inclusion in next Banking Framework report to Board.~~ ~~Autumn 2019~~ By end of financial year	The ATM strategy is coming to a conclusion with input from an OJEU procurement process to gather market data and costs. The strategy evolution is being individually briefed to all Board members in the next two weeks, prior to a formal presentation in Q4 at the appropriate Board Meeting.	**Open**
Board Meeting 30 April 2019					
4. Succession Planning	To provide a grid showing the key roles in the organisation (and which will link to the future organisation structure), the "top talent", "corporate pillars", who was ready for a bigger role now, who would be ready in 1-3 year time	~~Mo Kang~~ Lisa Cherry/ Nick Read	~~July 2019~~ ~~September 2019~~ ~~Autumn 2019~~ January 2020	~~To be included on the Board and/ or NomCo agendas for September 2019.~~ Item deferred so that Nick Read has the chance to consider the GE	**Open**