

From: Permanent Secretaries [REDACTED]
Sent: Friday, January 6, 2023 2:29 PM
To: Bickerton, David (Business Sectors DG Office) [REDACTED]
[REDACTED]; Cooper, Tom - UKGI [REDACTED]
[REDACTED] Creswell, Carl (Business Sectors - Services Directorate) [REDACTED]
[REDACTED]; Brooks-White (Jobshare) [REDACTED]
Arasaratnam, Roshana - UKGI [REDACTED]
[REDACTED]; Brightwell, Rob (Business Sectors - Services Directorate) [REDACTED]
[REDACTED]
Cc: Permanent Secretaries [REDACTED] >
Subject: RE: [Briefing Request - midday Friday 23/12] RE: Attached Letter from Henry Staunton, Chairman

Hi [REDACTED], all,

Sarah met with Henry yesterday – thanks very much for the support on briefing. It was a fairly frank/open convo in general, I should flag that Sarah opted not to write to Henry prior to the meeting. Readout below, left longer as I think useful:

Thanks,

Henry Staunton (HS) intro with Sarah Munby (SM)

Henry noted he has never seen a corporation challenged on so many fronts (eg the network, parcel biz etc), don't have luxury of prioritisation as every issue is a big one.

SM agreed that challenge is significant and that politics around POL make this an even trickier problem to solve, the timing of agreeing a longer term solution this year is also very difficult politically. Noted that we do need to be ready for what that answer is though.

SM flagged that the relationship on funding w/HMT is difficult, their view will always lean towards the 'begging bowl' type scenario, a dynamic worsened by horizon/inquiry costs.

HS/SM agreed to having frank/open relationship on POL

SM gave background to SoS ways of working - noting fairly hard/pushy with ALBs/Partner Orgs.

Succession/Mgmt

- SM SoS knows problems with internal succession and that mgmt team isn't as strong as could be so will likely raise this as challenge to fix
- HS noted also risks of bringing in new appts/firing people given precarious situ. But agree need to strengthen as does NR.
- HS/NR discussing in coming weeks w/HR director plans to strengthen where they can

[REDACTED]

- SM acknowledged combo of relatively restrained pay plus challenging role
- HS non exec strength also isn't good, often better people don't stick around

SM ran through what we are doing our side to think about policy options and £. Noted 3 difficulties on £:

1. We don't have it (will need to come from elsewhere)
2. In order to give any money it will need to be approved by HMT - who won't allow us to give until we have long term plan, but the timing doesn't work - so trying to do something to bridge
3. Subsidy control - without an excuse we can't just lift cash over the wall - have to be subsidy compliant (but should be fixable and is our problem to fix)

SM We might end up doing something small to buy space to collectively get to the longer term.

SM/HS discussed political dynamics of policy options - eg difficulties in reducing networks.

HS mentioned targets ref in inquiry hearing - wasn't looking for apology but wider point around being synced up and acknowledging where each others roles lie. Was keen him and Sarah strategically aligned where poss

SM also keen to be aligned as far as poss, though reflected that level of trust in POL board/mgmt isn't that high and that funding will come with conditions/scrutiny (how hmt work) but agree with everyone playing in correct lane

[REDACTED]