

---

**From:** Neil Hayward[GRO]  
**Sent:** Wed 19/02/2014 12:34:40 PM (UTC)  
**To:** Paula Vennells[GRO]; Chris M Day[GRO]  
Martin George[GRO]; Nicholas  
Kennett[GRO]; Lesley J Sewell[GRO]  
Chris Aujard[GRO]; Mark R  
Davies[GRO]; Kevin Gilliland[GRO] Alwen  
Lyons[GRO]; Martin Edwards[GRO]  
**Subject:** Richard Callard - Shareholder Executive/BiS & new NED

FYI – I recently met with Richard during his induction and mine to the Post Office.

He provided me with some insight on the things that interest him. So, as he catches up with the rest of us, I thought I should share what I learnt so that we can each prepare accordingly (of course you may already know all of this and if you do, sorry!):

- The Post Office is hugely politically important. Whilst it is probably the third biggest of the c 20 or so businesses being managed through the Shareholder Executive, it carries the highest profile. Everything that we do has the potential to create issues for ministers. This is partly why he/they will always ask us detailed questions. He also explained that HM Treasury applies pressure to ensure that the investment in the Post Office is doing what we/they said it would do.
- Network Transformation is therefore critical. He is keen to discover if the new formats we are rolling out will/are leading to better service/revenue growth. Equally Ministers are mindful of the local politics of decisions to change formats or shape of the network. We can expect him to be interested in the detail of this – on an on-going basis. In particular stakeholder engagement – NFSP.
- Mutualisation – Whilst this has been of particular interest to Liberal Democrats in the past, explaining what we really intend from the 20/20 strategy and how we are going to create mutual ways of working (and how this translates into future ownership models) will, in his view, require us to do more work this year, and ensure this work is understood and supported by other political parties. He sees the launch of our public purpose as a first step, and the POAC as a vehicle through which mutualisation can be explored.
- Business Risk – Mails – He is interested in how the commercial relationship with the Royal Mail is developing post separation, with an eye on the Mails contract and the risk of this needing to be or being re-negotiated. He wants to be assured that we are preparing for potential difficulty/different scenarios.
- Business Opportunity – FS – He thinks that this is an opportunity to accelerate growth plans and will be interested in the detail of our plans.
- Government Business – He seemed to support the idea that the Post Office should have a deeper relationship with branches of Government – as a means of developing business. He thinks we need to get close to and understand what the Government Digital service unit is intending as this is a risk.
- State aid/EU rules – He himself has to make sure that the funding agreement now put in place for the Post Office fits within the framework laid down by the EU – and ensure it is approved. He wasn't suggesting this would be a problem, but that it might create a workflow for him and us.
- Remuneration – we discussed the scorecard and the various issues re thresholds – and he welcomed the meeting that is now in his diary for 6<sup>th</sup> March.

This was a good conversation. The inference I draw though is that he will want to get underneath the surface a bit.

Hope this helps.

NEIL

Neil Hayward | Group People Director

---

148 Old Street, London, EC1V 9HQ

Tel: **GRO**

**GRO**

neil.hayward@**GRO**

[postoffice.co.uk](http://postoffice.co.uk)

@postofficenews

