

Private & Confidential

Brief

Head of Legal role, Post Office
for Doug Evans, Royal Mail
by Whitehead Mann

May 2009

The information provided in this document is for background information only. As such it does not constitute the terms, whether express or implied, of any future contract of employment.

Clare Menzies
Ryder Court
14 Ryder St
London SW1Y 6QB



Company Information

Background

Royal Mail Holdings is a plc wholly owned by Government. Its direct operating subsidiary is Royal Mail Group Ltd which runs the UK letters/parcels business and Parcelforce. Royal Mail Group has two major subsidiaries, Post Office Limited and General Logistics Systems (GLS, a European wide parcels business).

Royal Mail employs around 190,000 people and has a workforce that is highly unionised with business periodically adversely affected by industrial relations. It is the only provider of a universal service in the UK.

It is currently part way through the implementation of a business transformation to improve efficiency. Since 2002, the company has removed £1.5 billion of cost and reduced the workforce by 48,000. However, it needs to increase efficiency still further by removing another £1.5 billion of costs in real terms over the next ten years, whilst maintaining the balance of investment in order to drive a new way of working.

The company is regulated by the Postal Services Commission (Postcomm) who fully liberalised the UK postal market on 1st January 2006. Royal Mail is facing increasing competition from new alternative operators but also from digital communications such as email, the internet and mobiles and as such has recognised the need to modernise and think creatively about how to match new entrants to the market, leveraging the traditional strengths of the Group.

Royal Mail is undergoing review by the Hooper Commission. The results of this review are due to be published in the near future, which is likely to result in reorganisation of the Royal Mail Group.

The Post Office

Post Office Limited ("Post Office") is a separate company within and part of the Royal Mail Group that runs the 14,300 Post Office branches across the United Kingdom. The Post Office is the largest retail and financial services chain in the UK – bigger than all of the UK's banks and building societies put together.

The Post Office and its partners offer over 170 products and services, including:

- postal services;
- financial and banking services, including personal loans, car and home insurance and "two in one" credit card, savings and investment products and bill payments;
- travel services, including foreign currency exchange, travel insurance, passport application check and send service;
- HomePhone (home telephone service), directory enquiries, phonecards and mobile phone top-ups; and
- postal orders, gift vouchers and cards, lottery products and licence applications.

The Post Office is also the biggest cash handler in the country with more than £90bn passing through its hands each year. For every £1 in circulation, 17pence goes through a Post Office branch and around 360 million household bills are paid at Post Office branches each year.

In urban areas, over 99% of people live within a mile of a Post Office branch, and in rural areas 83% of people live within a mile of a branch. Over 28 million customers visit the Post Office each week.

Company Information

The Post Office network relies on annual financing of £150mn from the Government, although is awaiting a decision on the future of funding beyond this year. The network overall makes a loss on its operations of approximately £2mn a week. A key challenge facing both urban and rural branches is the decline in Government business going through the Post Office network. With the withdrawal of the Post Office Card Account in 2010, the network's revenue from work done for the Government will shrink to less than 10% of overall business. With the switch of payment of pensions and benefits directly to bank accounts now complete, the network has lost the £400mn a year income it earned from this work.

That said, the Post Office is working hard to create a sustainable future for the network. It is widely recognised that the network of 14,300 branches is a vital part of the fabric of the country, cherished by the communities nationwide that rely on the Post Office products and services. The Post Office has also developed new revenue streams from the development of new financial products, such as car and home insurance, and other new products, such as HomePhone.

The Post Office, as part of the Royal Mail, awaits the outcome of the Hooper Report, which will affect the structure, funding and strategy of the Royal Mail and the Post Office.

The Post Office's Management Team

Managing Director – Alan Cook

Alan Cook was appointed to the post of Managing Director of the Post Office in March 2006. Reporting to the Royal Mail Group Chief Executive, Adam Crozier, he is responsible for developing the Post Office network in its key role of serving 24 million customers nationwide each week. He had been a non-executive member of the Board of the Post Office since April 2005.

Cook was previously Chief Executive of National Savings and Investments from 2002. He began his career at Prudential in 1970, becoming Managing Director of General Insurance in 1997 and Chief Executive of Insurance Services in 1999.

Cook is a member of the Council at the Institute of Financial Services, a Chartered Insurer, a Fellow of the Royal Society of Arts, a Fellow of the Chartered Institute of Management and a freeman of the City of London.

Reporting in to Alan Cook is:

Gary Hockey-Morley – Marketing Director
Mike Young – Operations Director
Paula Vennells – Network Director
David Glynn – Sales Director
Debbie Moore – HR Director
Peter Corbett – Finance Director
Sue Whalley – Strategy Director

For more information about the Royal Mail and the Post Office, visit www.royalmailgroup.com.

The Role

The Head of Legal role will be the most senior lawyer within the Post Office. The role will report to Doug Evans, General Counsel of Royal Mail, however this may change as a result of the Hooper Report.

The role requires considerable breadth of legal expertise, particularly experience of financial services and large scale contract work. The candidate will benefit from having Company Secretarial skills and experience of operating within the public sector.

Currently the role is responsible for managing a team of nine lawyers and working more broadly with the wider Royal Mail legal team. However, the Hooper Report will dictate to what extent the team might change or grow, and this role will be required to manage the Post Office legal team as the structure of the organisation evolves and clarifies.

THE IDEAL CANDIDATE

The ideal candidate will be a technically strong and highly commercial lawyer who is capable of operating at senior management level. In view of the organisation's current strategy the candidate will have to be comfortable operating in a change environment and under ambiguous circumstances.

As well as being instantly credible to senior management, the candidate will have the confidence to advise and counsel at the most senior levels of Government. He/she will be a strong communicator, with the ability to engage with and influence internal and external stakeholders and will possess a good degree of resilience and drive. He/she will be capable of building, motivating and developing a team of lawyers. Finally, he/she will also be able to operate in a culturally diverse environment.

Key responsibilities

At its most basic level, the primary responsibilities of the Head of Legal role will include:

- acting as legal adviser to the Post Office;
- strategic input into and an implementation role around the Post Office's change agenda;
- managing the Post Office's legal team; and
- fostering relationships within the Post Office, Royal Mail and the Government.

Location

London

Candidate Profile

Role relevant experience

Candidates for this appointment will need to bring a range of experience and qualities. The ideal candidate will be someone who:

- is a technically strong lawyer with considerable experience of large scale contract work and the ability to assess, advise and make judgements around a wide spectrum of legal issues;
- commands confidence, respect and trust from those with whom he/she works, including those at Senior Management level within the Post Office and wider Royal Mail;
- has worked in-house, has experience of large scale financial services institutions and is comfortable navigating around the Financial Services Authority and other regulators;
- embraces change, is adaptable and can demonstrate experience in significant change; be able to think strategically and have the pragmatism in addition to the implementation skills necessary to deliver a strategy rooted in reality;
- is, or has the ability to be, highly networked within the Post Office, Royal Mail, the Government and wider market;
- possesses strong communication and presentation skills, with the impact, stature and influencing skills required to operate among the senior management of the Post Office;
- is able to operate within a culturally diverse environment and who is collaborative and engages others at all levels of an organisation;
- possesses drive and resilience, strives to get things done and is prepared to be hands-on in delivering to deadlines; and
- has experience of managing and building a legal team and fostering a performance culture both within the legal team and wider within the organisation.