
From: Tolhurst, Mpst (BEIS)
Sent: 23 May 2019 18:24
To: Creswell, Carl (Better Regulation Executive); Beal, Eleanor (Advanced Manufacturing and Services); Permanent Secretary
Cc: Watson, Craig (Advanced Manufacturing and Services); Clark Spad, Mpst (BEIS); Clark, Mpst (BEIS); Tolhurst, Mpst (BEIS)
Subject: RE: Official Sensitive: Information on POL Board and governance
Attachments: Background on POL Board and Governance .docx

Hi Carl,

I informed Kelly of the POL appeal judgement this afternoon and she has come back with the decision that she wants to change POL's board around.

Firstly, she has asked for a call with officials tomorrow to discuss her thinking. This would be after 4pm, and she plans to call SpAds and SoS at some point over the weekend.

After this, she would like to meet with the Permanent Secretary to discuss her decision. Their next catch up is scheduled for the 11th June.

Finally, she would then like to meet with the Chairman separately to explain why she is unhappy and ask that he considers his position.

Happy to chat/meet tomorrow morning as I understand this will need careful handling. Any additional information on the process for making changes to the board would be greatly appreciated.

Many thanks,
Jess



Department for
Business, Energy
& Industrial Strategy

Jessica Tysoe
Private Secretary to Kelly Tolhurst MP
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial Strategy
1 Victoria Street, London, SW1H 0ET

GRO

GRO

www.gov.uk/beis | <https://twitter.com/beisgovuk>

From: Creswell, Carl (Better Regulation Executive) <GRO>
Sent: 15 May 2019 16:32
To: Tolhurst, Mpst (BEIS) <GRO>; Beal, Eleanor (Advanced Manufacturing and Services) <GRO>; Permanent Secretary <GRO>
Cc: Watson, Craig (Advanced Manufacturing and Services) <GRO>
Subject: RE: Official Sensitive: Information on POL Board and governance

Thanks very much, Jess!



Carl Creswell
Director, Professional Business Services, Retail and Post
Tel: [GRO]
[GRO]
Orchard 2, 1 Victoria Street, London SW1H 0ET
www.gov.uk/beis | <https://twitter.com/beisgovuk>

From: Tolhurst, Mpst (BEIS) <[GRO]>
Sent: 15 May 2019 16:31
To: Beal, Eleanor (Advanced Manufacturing and Services) <[GRO]>; Creswell, Carl (Better Regulation Executive) <[GRO]>; Permanent Secretary <[GRO]>
Cc: Watson, Craig (Advanced Manufacturing and Services) <[GRO]>
Subject: RE: Official Sensitive: Information on POL Board and governance

Hi All,

To keep you updated, I managed to speak to Kelly after a debate this afternoon and was able to mention the note.

I reassured her that both UKGI and BEIS officials will not share the information or commission with POL's board.

She noted the point about attending the board and may raise it this afternoon, although I'm not certain.

I will feed back her comments, if any, when she returns the note.

Many thanks,
Jess



Jessica Tysoe
Private Secretary to Kelly Tolhurst MP
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial Strategy
1 Victoria Street, London, SW1H 0ET
[GRO] | [GRO]
www.gov.uk/beis | <https://twitter.com/beisgovuk>

From: Tolhurst, Mpst (BEIS)
Sent: 14 May 2019 16:03
To: Beal, Eleanor (Advanced Manufacturing and Services) <[GRO]>; Creswell, Carl (Better Regulation Executive) <[GRO]>; Permanent Secretary <[GRO]>
Cc: Watson, Craig (Advanced Manufacturing and Services) <[GRO]>
Subject: RE: Official Sensitive: Information on POL Board and governance

Hi Carl and Eleanor,

Thanks both for coming back to me and for providing reassurance that the information won't be shared by UKGI or BEIS to the POL Board.

I appreciate the hard work that has gone into obtaining the information so quickly, I know Kelly will be happy to receive it. I note your point that you think Kelly sometimes thinks you aren't hearing or responding to her concerns; however, I think this instance is an exception.

I commissioned the Perm Secs office directly because of the sensitivities with UKGI and asked that Alex brings the information to the meeting they have scheduled in June.

I will try to mention the note to her verbally between meetings tomorrow, particularly the point that she can attend the board meetings as an observer or an external speaker.

As such, I still intend to give this background to her in the weekend TBA as she does not have any intention of raising the points during tomorrow's meeting.

Happy to discuss, I am around this afternoon and tomorrow morning.

Many thanks,
Jess



**Department for
Business, Energy
& Industrial Strategy**

Jessica Tysoe
Private Secretary to Kelly Tolhurst MP
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial Strategy
1 Victoria Street, London, SW1H 0ET
GRO GRO
www.gov.uk/beis | <https://twitter.com/beisgovuk>

From: Beal, Eleanor (Advanced Manufacturing and Services) <GRO>
Sent: 14 May 2019 13:12
To: Creswell, Carl (Better Regulation Executive) <GRO>; Tolhurst, Mpst (BEIS) <GRO>; Permanent Secretary <GRO>
Cc: Watson, Craig (Advanced Manufacturing and Services) <GRO>
Subject: RE: Official Sensitive: Information on POL Board and governance

Hi both,

Carl, thanks for picking up on the broader approach here.

Jess, two further things to address your other specific points. First, as per Carl's note, the nature of Kelly's request was shared by our team with UKGI (Perm Sec's invite did not go to them direct). Second, on Tom Cooper's start date, apologies for the confusion. March 2018 was his official start on the Board, whereas November 2017 was when he joined the UKGI team.

Best,
Eleanor



**Department for
Business, Energy
& Industrial Strategy**

Eleanor Beal
Head of Post Office Policy and Sectors Briefing Hub
Tel: GRO
GRO
1 Victoria Street, London SW1H 0ET
www.gov.uk/beis | <https://twitter.com/beisgovuk>

From: Creswell, Carl (Better Regulation Executive) <GRO>
Sent: 14 May 2019 12:56
To: Tolhurst, Mpst (BEIS) <GRO> Beal, Eleanor (Advanced Manufacturing and Services)

<[GRO]> Permanent Secretary [GRO]
Cc: Watson, Craig (Advanced Manufacturing and Services) <[GRO]>
Subject: RE: Official Sensitive: Information on POL Board and governance

Hi Jess,

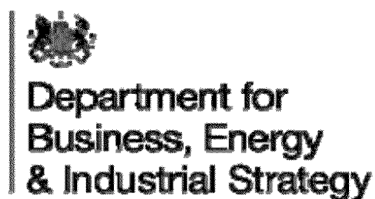
Thanks for coming back to us on this.

I'm afraid that point about not talking to UKGI wasn't clear from my conversation with Kelly. The Minister said that she wanted us to put the information together sensitively, which we have done and I can confirm that we have made it clear to UKGI that they mustn't share the information with the Board. I'm confident that they will respect that – the questions are the sort of factual request that they are able to answer as part of their shareholder role.

I personally would advise you to give Kelly the points as background before the meeting tomorrow. I get the impression that Kelly sometimes thinks we aren't hearing or responding to her concerns, which is why I've asked the team to produce this so quickly.

Happy to have a chat about it later if helpful?

Many thanks,
Carl.



Carl Creswell
Director, Professional Business Services, Retail and Post
Tel: [GRO]
[GRO]
Orchard 2, 1 Victoria Street, London SW1H 0ET
www.gov.uk/beis | <https://twitter.com/beisgovuk>

From: Tolhurst, Mpst (BEIS) <[GRO]>
Sent: 14 May 2019 12:35
To: Beal, Eleanor (Advanced Manufacturing and Services) [GRO]; Permanent Secretary <[GRO]>
Cc: Creswell, Carl (Better Regulation Executive) <[GRO]>; Watson, Craig (Advanced Manufacturing and Services) <[GRO]>
Subject: Official Sensitive: Information on POL Board and governance

Hi Eleanor,

Thank you for sending this across.

To be clear, Kelly asked for this information to be gathered sensitively, without the input of UKGI at this stage.

Perm Secs Office, I assume from the headings that the meeting request I sent to you was shared with both BEIS and UKGI colleagues. Please can you let me know what information was shared with UKGI?

I will include this information in Kelly's TBA this weekend as I know she has no intention of raising it with Tim or AI tomorrow.

It mentions that Tom C was appointed in November 2017 as shareholder NED, and then in the table it says he was appointed as UKGI NED in March 2018. Does this mean he was a NED at POL prior to his UKGI appointment?

Has it been made clear to UKGI that the Minister’s questions around this issue should not be shared with the Board? At this stage, the Minister has simply asked for some background information on the make-up of the board and we wouldn’t want to set hares running unduly.

Many thanks,
Jess



**Department for
Business, Energy
& Industrial Strategy**

Jessica Tysoe
Private Secretary to Kelly Tolhurst MP
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial Strategy
1 Victoria Street, London, SW1H 0ET

GRO | GRO
www.gov.uk/beis | <https://twitter.com/beisgovuk>

From: Beal, Eleanor (Advanced Manufacturing and Services) <GRO>
Sent: 14 May 2019 11:56
To: Tolhurst, Mpst (BEIS) <GRO>
Cc: Creswell, Carl (Better Regulation Executive) <GRO>; Watson, Craig (Advanced Manufacturing and Services) <GRO>; Vandini, Cecilia (Advanced Manufacturing and Services) <GRO>; Cooper, Tom - UKGI <GRO>; Aldred, Tom - UKGI <GRO>
Subject: FAO Kelly: information on POL Board and governance

Dear Jess,

When Carl and I spoke with Kelly in the margins of her meeting with John Redwood on POL, she raised a few questions about POL’s Board and governance. With thanks to Tom A and UKGI colleagues, see below for a short factual note for Kelly on these issues.

I understand a meeting between Kelly and the Perm Sec is being scheduled, at which they will discuss some of these issues. However, we thought best to share a brief update with Kelly as soon as possible. **Grateful if you can make sure she sees this ASAP, ideally in advance of her meeting with Tim/AI tomorrow** (although not expecting her to raise this there).

How the Board is appointed

The Chair is a ministerial appointment, meaning that the Minister selects from three ‘appointable’ candidates. The current chair, Tim Parker was appointed in October 2015, and re-appointed for a further four years in 2018.

Appointment of all other board members also requires ministerial consent, and the minister must approve the job description and remuneration. In addition, the shareholder Non Executive Director (NED; Tom Cooper) would normally sit on the selection panel.

NEDs are typically appointed for 3 years and can serve two terms. Tom Cooper was appointed as the shareholder NED in November 2017.

Two members of POL’s executive team also sit on the Board: the CEO and CFO. These are both typically permanent appointments but are currently both interims. Please find below a list of current Board members and their appointment dates.

Role	Name	Start Date	Term Expires
Interim CEO	Alisdair Cameron	Appointed as CFOO 28/01/2015	N/A (Employee)
Interim CFO	Awaiting appointment	-	-

NED	Timothy Franklin	19/09/2012	19/09/2019
Chair	Timothy Parker	01/10/2015	31/09/2022
NED & SID	Ken McCall	21/01/2019	20/01/2022
NED	Carla Stent	21/01/2019	20/01/2022
NED	Shirine Khoury-Haq	24/05/2018	23/05/2021
UKGI NED	Tom Cooper	27/03/2018	N/A

**Afua Kyei has accepted the role as interim CFO but has not yet been appointed.*

How we can make changes to the board

The shareholder is entitled to appoint or remove any Director (board member) at any time. It would be good corporate practice to raise any serious concerns about the Board with the Chair first, and a high bar should be passed before using these provisions.

Further clarity on why the Minister has not been able to attend board meetings

It is possible for the Minister to attend the Board as an observer or an external speaker, and Baroness Neville-Rolfe attended a POL Board meeting when she was Minister for the Post Office. A Board dinner could also be a good opportunity for the Minister to meet Board members. We are happy to discuss these options with POL. We have informed POL that you would be keen to talk to the Board and suggest that you ask Tim and Al about this option when you see them on Wednesday.

While a one-off engagement would likely be welcomed by the Board, there are risks associated with regular attendance. It could affect the dynamics of board discussions, and create confusion around the Board's operational freedom and the Minister's distance from their decisions.

Establishment of a protocol of information sharing with POL

Following your request that we establish stronger information sharing arrangements with POL, we have considered options and would like to recommend that we set this out in the formal 'Shareholder Relationship Framework Document' between BEIS, UKGI and POL. The Framework Document is a long-term document that is intended (among other things) to set out (i) certain obligations with which POL is expected to comply and (ii) how the parties will interact with each other. The Framework Document is being finalised as part of Post Office's wider corporate restructuring project, which has been delayed due to POL's focus on the litigation case. We hope to complete this over the next few months and would be happy to discuss this with you in greater detail.

This approach would build on current arrangements, whereby POL's Articles of Association entitle the shareholder to ask for any information it likes, which POL must comply with provided they are reasonable. POL is also required to provide information on financial, investment and network performance on a more frequent basis. A specific protocol has been agreed in relation to the litigation, because POL requested greater safeguards to protect legally privileged information. Including a specific commitment on information-sharing in the Framework Document will provide a strong foundation for the future. If you are happy with this, we would be comfortable with you mentioning this during your meeting on Wednesday.

At working level, we are continuing to work with Private Office to ensure that the Minister is kept up to date on developments with POL in a timely manner.

If you have any questions, please let us know.

Best,
Eleanor



**Department for
Business, Energy
& Industrial Strategy**

Eleanor Beal
Head of Post Office Policy and Sectors Briefing Hub
Tel: **GRO**
GRO
1 Victoria Street, London SW1H 0ET
www.gov.uk/beis | <https://twitter.com/beisgovuk>