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[16/10/2018, 10:13:32] Kelly Tolhurst: Ok thanks

[16/10/2018, 10:13:32] Georgina Mallows:

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Gill Furniss MP.

To ask the Secretary of State for Business, Energy and Industrial Strategy if he will make a statement on the Post Office announcement of further closures and franchising of Crown Post Offices.

[16/10/2018, 10:14:04] Kelly Tolhurst: Ok thank you

[16/10/2018, 10:15:09] Georgina Mallows: There are lines in your pack - but the key point is that the branches are simply moving, not closing entirely. The moves are also subject to a 6 week consultation.

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[16/11/2018, 14:45:10] Sam: Hi Kelly. I've just been informed confidentially that a Paula vennells, CEO post office, is stepping down next week. It will be effective from March and POL will be looking for a replacement. Apparently the decision is mutual. However, I think she may be choosing to leave now due to the litigation increasing pressures on POL. I'm wondering if this means she has realised that the litigation is going to end badly and is getting out first.

[16/11/2018, 17:01:54] Kelly Tolhurst: Oh interesting news! Yes I would agree. Might be helpful if I could get to see officials prior to OPQs as it will bound to come up and I would like to test what powers we have here. I will speak to Greg as I'm with him tomorrow afternoon

[16/11/2018, 17:15:52] Sam: Ok sure will look to schedule a chat with post office officials on Monday.

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[26/11/2018, 14:31:43] Kelly Tolhurst: Hi could I have a one pager on post office stats and banking framework for Huw Merriman ASAP we have not got to support the 10min rule Bill - but he has agreed to really push post offices and the work they are doing on the high streets in regards to delivering on the banking framework. Thank you

[26/11/2018, 17:09:04] Sam: Hi Kelly. Please see lines below for Huw Merriman. To note, only you know the details of the poor deal POL are getting for the banking framework as the contract is fcommercially sensitive. The lines therefore don't reference this specifically. I'll leave it down to you with how explicitly you think Huw should make the point on banks relying on the framework as an excuse to leave towns with no bank.

- The Government recognises the important role that post offices across the country play by providing access to cash and banking services, particularly for the more vulnerable or remote customers.

- Under the Banking Framework 99% of UK personal banking customers and 95% of UK business banking customers can do their day to day banking at the Post Office. In operation since January 2017, this agreement marked the biggest expansion of face-to-face banking access in a generation.

- Access to banking through the Post Office is not designed to replace the full range of services provided by traditional banks but rather to leverage the Post Office's network to ensure that essential banking facilities remain available in as many communities as possible.

- There are no additional charges to personal and business account holders wishing to use the Post Office for their banking [However, business account customers will normally pay charges on their account to their bank. This is a normal process and the charges are there whether the customer uses their bank branch or the Post Office.]

- The Post Office will soon enter negotiations with the high street banks on their banking service agreement. The Post Office will be looking to ensure that postmasters are fairly remunerated for the vital services they offer.

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[10/01/2019, 12:32:23] Kelly Tolhurst: Sam - could you send me the note you did for me on post offices where we had the specific info on Crown properties ? If possible I can't find it in my paper file

[10/01/2019, 12:44:16] Kelly Tolhurst: Also quickly - can we check if Lisa Nandy wrote to me on Post office's ? As I'm sure in the last OPQs I asked her to raise with me her specific post office issue can we check this ? Thanks

[10/01/2019, 12:47:35] Georgina Mallows: No - our system just lists and unrelated letter from July from her

[10/01/2019, 12:48:21] Kelly Tolhurst: Brill - can we check that I did ask he to tell me what her specific issue was during OPQs ?

[10/01/2019, 12:49:03] Georgina Mallows: Yes I'll check Hansard. Do you mean the

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[10/01/2019, 12:52:43] Georgina Mallows: Lisa Nandy (Wigan) (Lab)

For 134 years, Wigan Crown post office has been the anchor of our high street and the beating heart of our community. It survived two world wars and one global financial crash; why can it not survive eight years of Tory Government?

Kelly Tolhurst

As I have said repeatedly during this questions session, we are not closing post offices. If the hon. Lady has a particular problem in her constituency, I am more than happy to hear her concerns about that individual case, but we are not closing post offices. We are taking a sustainable approach to make sure that we achieve and maintain those 11,500 branches throughout the UK.

[10/01/2019, 12:53:06] Kelly Tolhurst: Great thanks

[10/01/2019, 12:55:58] Kelly Tolhurst: There was a break down in it of the properties owned and leased etc

[10/01/2019, 12:56:19] Sam: Just found it. Will email over

[10/01/2019, 12:56:31] Kelly Tolhurst: Thanks my dear

[10/01/2019, 12:57:20] Kelly Tolhurst: Can we get confirmation from POL if Wigan crown post office is a freehold or a lease ?

[10/01/2019, 12:59:09] Sam: Checking with POL now

[10/01/2019, 13:00:11] Kelly Tolhurst: Thanks

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[18/02/2019, 12:38:44] Sam: Hi Kelly. Just to let you know that POL have decided to announce Paula Vennell's departure today at 3pm. They won't be announcing the interim CEO until they have ministerial approval. SoS has seen the interim CEO sub and would like to have a chat with you this week to get your thoughts. You could do this after your SI debate tomorrow or over the phone another day?

We are also trying to schedule a meeting for you with Paula Vennells next week and will get the one with Tom Cooper in too.

[18/02/2019, 12:47:46] Kelly Tolhurst: Hi Sam - yeah can catch up with after the debate that's no problems. Thanks for trying to organise the meetings

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[18/02/2019, 14:12:54] Sam: Are you happy with this quote for the announcement? It's been cleared by spads and you saw it previously when the announcement was expected in December.

Business Minister Kelly Tolhurst said:

"I am very grateful to Paula for her long and dedicated service at the Post Office as it is the most stable in decades. Helping turn the company around, with a transformed branch network offering almost a million extra opening hours every month and over 4,000 branches open on Sunday. I would like to wish Paula well in her new endeavours

[18/02/2019, 14:16:25] Kelly Tolhurst: Agreed

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[22/02/2019, 19:30:33] Sam: I agree it's worrying and even more reason to get a good CEO in.

Also looking into your idea of having a quarterly meeting with you, POL and the federation of subpostmasters to discuss this sort of thing

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https://twitter.com/PostPermSec/status/1109997110920071072?si=21
[08/03/2019, 17:00:01] **GRO**: Hi Kelly, there have been a few changes to your diary for Monday.

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IRRELEVANT however Perm Sec also wants to discuss Post Office with you, you have a note in your TBA on post office from Alex. Their office have pushed this meeting to be held on Monday. **IRRELEVANT**

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[11/03/2019, 12:17:35] **GRO**: Hi Kelly, Perm Sec is really keen to speak to you today, particularly about Post Office, is there a time you could meet with him today before your tea room surgeries or are you available to take a phone call later this afternoon?

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[11/03/2019, 14:52:10] Jess Tysoe: **IRRELEVANT**

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Also to make you are aware, this afternoon the Communications Union are delivering a petition to No 10 on the franchising of Post Offices. The petition currently has 6144 signatures, once it reaches 10,000 and as a physical petition (opposed to an e-petition) the department has 60 days to respond.

The Unions page is here:

<https://cwue5.org/2019/02/27/post-office-save-our-post-office-campaign-parliamentary-event-11th-march/>

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[14/03/2019, 18:35:16] Jess Tysoe: Hi Kelly, to be aware the judgement in the

first POL trial of the GLO will be handed down by the judge at noon tomorrow. Post Office have prepared a summary of the case and press lines, I will share these with you as soon as I have them.

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[15/03/2019, 13:31:06] Jess Tysoe: Hi Kelly, the POL judgement is now publicly available, it is over 300 pages and quite complex. In summary the judge has ruled in favour of the postmasters and suggested some substantive changes to the post office most importantly to the liability and termination clauses within their contracts.

I met with UKGI and BEIS teams just now and they are working on the following documents by 3pm, which I will email over to you: Submission setting out the ruling, POL Briefing to Ministers, Draft UQ pack and WMS (if needed) and POL Legal Analysis. Comms are already working on lines which will be cleared by SpAds.

Would you be happy to have a phone call at some point today with Tom Cooper (UKGI), Craig Watson (BEIS DD), Gavin Lambert (BEIS Director) and I so they can brief you and to discuss next steps?

POLs response can be found here:

<http://corporate.postoffice.co.uk/our-media-centre#/news/post-office-response-to-judgment-in-the-first-trial-of-group-litigation-order-362232>

[15/03/2019, 13:32:03] Kelly Tolhurst: Yes please as won't get a chance to read it all yet ! Do we know the top lines of what's happened

[15/03/2019, 13:36:04] Jess Tysoe: is there a time after at 3pm or after that would work for you? BEIS are currently drafting a note which will set out the judgement which I will send to you as soon as possible, along with our reactive comms lines which SpAds will clear. POLs top lines are in their statement

[15/03/2019, 13:36:48] Kelly Tolhurst: Yes - but can I have to top line outcome ?

[15/03/2019, 13:49:11] Jess Tysoe: The Judgement found strongly in favour of postmasters, principle finding is that the contract between POL and postmasters places a number of obligations on POL which will require them to change the way they work with postmasters. Judgement is also highly critical of POL behaviours, and uses strong language accusing POL of being heavy handed and lacking transparency.

[15/03/2019, 15:46:17] Jess Tysoe: Hi Kelly, I've just emailed over a short summary of today's judgment, plus the other documents I mentioned earlier. Officials are on standby for a call, please let me know what time's best for you if you would still like to go ahead, thanks

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[15/03/2019, 21:22:39] **GRO** Will do
[15/03/2019, 21:41:12] For the call with Tim Parker tomorrow at 12:15. Please see the dial in details below.

Dial-In Number: **GRO**
Conference code: **GRO**
[15/03/2019, 21:53:34] Kelly Tolhurst: Hibaq - will I have any officials on the call with Tim?

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[15/03/2019, 21:58:25] **GRO**: Yes there will be, just awaiting confirmation on which officials will be on the call

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[15/03/2019, 23:00:00] **GRO**: I have just emailed across your speaking note for your call with Tim Parker
[16/03/2019, 13:14:14] Kelly Tolhurst: Hi there POL has been the topic this morning there should be a draft dear colleague - can it be sent to me
[16/03/2019, 13:15:15] **GRO**: Yes there just making amends on the dear colleague letter, will be sending across shortly
[16/03/2019, 13:16:01] **GRO**: It will be sent in your name
[16/03/2019, 13:18:17] Kelly Tolhurst: Well I'm being asked about it by Will, if I can get it as I may wish to modify
[16/03/2019, 13:23:39] **GRO**: Just emailed it across to you
[16/03/2019, 13:24:19] **GRO**: Let me know whether you are happy with the text

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[16/03/2019, 15:24:38] [GRO]: UKGI has advised that the below wording isn't correct and that we must avoid treading into areas which are for the court namely whether POL have breached any legal duties they owed to any of the claimants and if so whether those claimants are entitled to compensation. They advised that those decisions are for later trials in this group litigation.

"represents a significant step forward, delivering justice for those postmasters who have been wronged."

UKGI have said it would be more factually correct to say "...The Post Office and I are fully supportive of this legal case being brought. This first judgment, which deals with the contractual relationship between the Post Office and postmasters, represents a significant step towards delivering justice..."

Will is happy with the revised wording. Are you happy with this?

If so, I will email across to you now the final draft letter for you to review as a whole before I send it to No10 to clear.

[16/03/2019, 15:26:04] Kelly Tolhurst: Has Will commented ?

[16/03/2019, 15:27:52] [GRO]: He confirmed that he was happy with the revised wording

[16/03/2019, 15:30:04] Kelly Tolhurst: Ok that's fine

[16/03/2019, 15:36:07] [GRO]: Great thanks just emailed you across the amended colleagues letter - let me know if your happy for me to send this to no10 to clear

[16/03/2019, 15:40:34] Kelly Tolhurst: Yes that's fine

[16/03/2019, 15:40:50] [GRO]: Thank you

[16/03/2019, 18:08:03] Kelly Tolhurst: Do we know then the letters going to go out?

[16/03/2019, 18:50:18] [GRO]: No10 had said the text was fine but had asked as the legal case is ongoing should we be commenting on that? Is it not premature?.

Will confirmed that this was true, but the language had been cleared by legal and doesn't prejudice the appeal. And that we're not saying this in the press. No10 have just confirmed that they are happy with it on that basis. I have just emailed this across to the whips office and awaiting confirmation that it has been issued.

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In the meantime Post Office raised some comments on the letter as they are nervous about prejudging the outcome of future trials which will look at individual claims.

Will has worked with officials to tweak the letter, getting the balance between reflecting nuance of the case as requested by POL but also making sure it reflects yours and Greg's steer about justice for those who have a valid claim.

I've emailed this over to you, are you able to clear?

The letter can then go first thing Monday morning 8am which can still head off UQs. Or SpAds may have to get in touch with whips SpAds to arrange for it to be done today. Do you have a view on this?

Thanks!

[17/03/2019, 17:58:45] Rosie Perkins: Sorry to chase, Kelly. Were you able to take a look at the letter? Just conscious that no.10 will also have to clear this evening ahead of it going out first thing tomorrow morning.

[17/03/2019, 17:59:18] Rosie Perkins: If easier, the amendment is the inclusion of the below, after the first paragraph.

As you may know a legal case has been brought against Post Office Ltd by a group of mainly former postmasters. It is complex, with some of the cases involved stretching back to 2000, and is due to span over four trials.

I believe the courts are the right place to hear the issues being raised and hope that the legal case will assist in the resolution of what are long-standing issues between some postmasters and the Post Office so that postmasters with claims can obtain a remedy if the court finds there is validity to those claims.

This first judgment deals with the contractual relationship between the Post Office and postmasters. It is important to note that it does not deal with matters of breach or liability.

[17/03/2019, 19:44:56] Kelly Tolhurst: Hi Rosie sorry I missed your call I'm afraid I had some association business to deal with which sadly has taken up most of the afternoon/evening. The letter has changed significantly.

I agree the final copy. It could have gone out today as we have have letters received from other departments over that time. Anyway let me know if I need to email the whip spads on this as will need to get this out first thing thanks

[17/03/2019, 19:48:55] Rosie Perkins: No worries, thanks for getting back to me.

The changes aimed to keep the spirit of the letter but ensure the wording doesn't damage the case. Thanks for clearing will get it sent now and see if I can get anyone to send today or flag that it needs to go absolute first thing. I'll come back to you shortly, thanks

[17/03/2019, 19:51:14] Kelly Tolhurst: I think it was probably about the POL not really accepting the judgement is so bad. The previous letter was cleared by legal

[17/03/2019, 20:03:34] Rosie Perkins: Does seem to be extra cautious

[18/03/2019, 09:10:20] Kelly Tolhurst: Has the dear colleague gone?

[18/03/2019, 09:14:51] Jess Tysoe: Not yet, been on the phone to whips office and admin unit this morning chasing, I will let you know once they confirm

[18/03/2019, 09:54:02] Jess Tysoe: It's been sent

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[19/03/2019, 18:01:58] Kelly Tolhurst: Hi guys I am really unhappy about the franchising processes and consolation on the moves by the POL and to be honest have real concerns on what's going on - rapidly losing confidence in what they are doing with the amount of complaints coming from all angles - I think we need to get POL to a meeting. Can we raise these issues with them so they are able to provide me proper assurances at a meeting ? Thanks kelly

[19/03/2019, 18:06:48] Jess Tysoe: Faiemaa is already in the process of setting up a face to face meeting with Tim Parker. I will look into who makes the decisions on franchising and the moves and will set up a meeting for before recess if you're happy for us to do that?

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[20/03/2019, 11:45:18] Jess Tysoe: Hi Kelly, just to flag Alex Chisholm emailed your BEIS account last night on the appointment of an interim CEO for the Post Office. He's keen for you to agree to the appointment as soon as possible and sign the letter I gave you in your POL pack on Monday

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[30/04/2019, 19:23:11] Kelly Tolhurst: I've noticed a call has appeared in diary tomorrow for 9am with post office - what and why is this taking place ?

[30/04/2019, 19:24:33] Kelly Tolhurst: [REDACTED] IRRELEVANT

[REDACTED] IRRELEVANT Can meet with paul at 11am. Where will the board meeting be ?

[30/04/2019, 19:28:30] Jess Tysoe: It's just a catch up with Tom cooper to update you on the litigation, and to chat quickly about your point in the TBA about the £2 billion figure being included which you weren't made aware of and the charges being made my HMRC to POL you also asked to discuss

[30/04/2019, 19:30:42] Kelly Tolhurst: Ok I would rather these updates are formalised. I have concerns about the Post Office and board and want to get this on a formal sitting. Think we need to get a wider meeting with officials on how we deal with the post office. I would rather we didn't just plug things into the diary without speaking first

[30/04/2019, 19:31:00] Gordon Hipwood: The board meeting will be in ministerial conference rooms a and b in beis

[30/04/2019, 19:32:34] Gordon Hipwood: Would you like us to make this a meeting in the department instead?

[30/04/2019, 19:33:16] Gordon Hipwood: And I will let Paul know of the change in time, thanks

[30/04/2019, 19:34:53] Kelly Tolhurst: Well I can have a call but I'm just saying that I don't want to have random communication with them anymore. I want it formalised. It was only by chance I noticed it in the diary. No one alerted me !

[30/04/2019, 19:37:48] Gordon Hipwood: I had planned to alert you this evening- understood you asked for it after your debate last week but apologies if wires were crossed, that wasn't the intention

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[10/05/2019, 11:45:21] Jess Tysoe: Hi Kelly, I have just emailed over an update on POLs decision to appeal the litigation judgement. They will be lodging the appeal by the 16th May and are happy to brief you orally, you also have your meeting with Tim and Al next week where you can raise this.

Also to be aware, the BEIS Select Committee have postponed the Franchising of Post Offices evidence session which was scheduled for the 21st May. It is likely to be rescheduled for the middle of June and will let you know once confirmed.

[10/05/2019, 13:05:55] Kelly Tolhurst: Thanks Jess - do we know why it's being postponed?

[10/05/2019, 13:08:18] Jess Tysoe: Apparently so they have more time to review the evidence that's been submitted

[10/05/2019, 13:27:15] Kelly Tolhurst: Oh right - will we see this evidence??

[10/05/2019, 13:43:19] Jess Tysoe: Yes, I attached the POL and NFSP submissions to the draft pack which went in your weekend box. I can check with policy if we are able to get the rest of the evidence if you would like to see it

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[11/05/2019, 08:43:01] Kelly Tolhurst:
https://www.postofficetrial.com/2019/05/j-fraser-is-going-nowhere.html?utm_source=newsletter&utm_medium=email&utm_campaign=court_of_appeal_gives_post_office_the_bird&utm_term=2019-05-11&m=1

[11/05/2019, 08:43:39] Kelly Tolhurst: This is really bad.

[11/05/2019, 08:44:56] Kelly Tolhurst: Have I got in my box details on some of

the questions around post office last week? I thinking actually I need to meet with the SoS on this [11/05/2019, 09:19:09] **GRO** Yes it is, I will share this with officials to see if they have any thoughts on this, following from the latest update on the appeal provided to you.

You have an update on POL CEO recruitment as a sub in your box. As part of your briefing for your meeting with Tim Parker and Al Cameron next week it includes the following;

- POL written evidence submission to the BEIS Select Committee Post Office Inquiry;
- NFSP written evidence submission to the BEIS Select Committee Post Office Inquiry;
- POca Letter to Baroness Buscombe;
- More information on the POca legacy issues;
- Readout of BEIS Meeting with Al Cameron

In addition Jess also sent you a POL litigation update by email. We will look to arrange a meeting between you and SoS to discuss this issue.

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[15/05/2019, 11:28:18] Kelly Tolhurst: Also ahead of POL meeting have we managed to get any Advice about what we can or can't do with the POL board ? Or any steer info from Perm Secs office ?

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After your chat with BEIS officials after the John Redwood meeting last week they went away and requested that UKGI feed in. I had separately commissioned perm secs office directly because of the sensitivities with UKGI, which officials didn't take on board after your conversation.

I went back asking for clearance on what information was shared with them and they came back confirming that they asked UKGI not to share the information with POLs board and they are content they will not do so.

I will email to your BEIS account now.

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[15/05/2019, 16:40:57] Kelly Tolhurst: Hi jess this post office brief is out of date it doesn't even mention that the court of appeal chucked out the application from POL to recuse the judge

[15/05/2019, 16:44:31] Jess Tysoe: Hi Kelly, Officials have come back and said: POL are considering this ruling (recusal appeal) with their new lawyers Herbert Smith Freehills. This decision is separate to the decision on appealing the Common Issues judgment (which we advised about in the submission emailed over the weekend), and supports HSF's advice (which the POL board accepted) that POL should not try to have that appeal heard together with the recusal appeal.

Although a separate decision from the appeal on the Common Issues judgement, HSF are also now reviewing whether the grounds for appeal should be modified in the light of this ruling. It also points strongly in favour of POL changing the team of barristers who have been advising to date, again something that HSF have been considering. HSF will be advising the POL board on both topics shortly.

[15/05/2019, 16:45:24] Kelly Tolhurst: This is just a mess Jess it really is

[15/05/2019, 16:46:55] Jess Tysoe: I know, this meeting should be a good opportunity to challenge them

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[15/05/2019, 19:31:03] Jess Tysoe: in addition to Rosies quotes, please see another below on Post Offices: ISSUE

Comms have been approached by the FT who want to interview you about the challenges the Post Office is facing - these include:

- The ongoing Horizon trial
- The loss of Government work
- Changing consumer habits
- The fact it does not have a CEO
- A survey of subpostmasters shows that around three-quarters earn below the national minimum wage and more than one-fifth are planning to close, downsize or hand on their business

RECOMMENDATION

Officials recommend declining the interview and instead provide the below statement:

Kelly Tolhurst said:

“Government understands how important Post Office branches are to communities across the UK and is committed to ensuring that the nationwide network of at least 11,500 branches is maintained.

“This is why Government has invested over £2 billion since 2010 that has seen over 7,600 branches modernised, offering over 200,000 additional opening hours every week.”

[15/05/2019, 20:20:01] Kelly Tolhurst: Agreed but can we add something about innovation in finance options and how much the landscape has opened up etc

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[20/05/2019, 12:46:19] Kelly Tolhurst: Sky are covering post office and and potential 2000 closures this year due to lack of viability for sub post-masters
[20/05/2019, 12:51:08] Jess Tysoe: I saw, this is off the back of a Press Notice NFSP published this morning ahead of their evidence session tomorrow in front of the BEIS Select Committee.

Comms and officials are aware and have been monitoring and produced reactive lines.

I am happy to share their press notice and our lines agreed.

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[21/05/2019, 18:03:42] Jess Tysoe: Hi Kelly, following their article on the Post Office the Daily Mail have asked for a quote from you, please see below. SpAds have also cleared.

Business Minister Kelly Tolhurst said: "We recognise the vital role that Post Offices play in communities up and down the country, which is why we require the Post Office maintains at least 11,500 branches nationwide and why we have invested £2 billion in modernising the network since 2010. As a result, the network is in its most financially stable position in decades.

"Our continued investment has helped support the opening of 440 new branches since April 2017 which means that 99.7% of the UK population are now within 3

miles of their nearest Post Office.”

[21/05/2019, 18:05:40] Kelly Tolhurst: Agreed

IRRELEVANT

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[23/05/2019, 17:38:36] Jess Tysoe: Hi Kelly, to be aware the judge has refused POL permission to appeal the common issues trial judgement. The next step is for

them to apply directly to the Court of Appeal.

We have received the information from someone sat in the court room and will get you a formal update ASAP.

[23/05/2019, 17:39:15] Kelly Tolhurst: Oh my goodness

[23/05/2019, 17:39:25] Kelly Tolhurst: I'm not surprised at all

[23/05/2019, 17:39:51] Kelly Tolhurst: Ok well we might have to have a phone call tomorrow on this

[23/05/2019, 17:40:08] Kelly Tolhurst: We can't let them continue to keep digging a hole it's embarrassing

[23/05/2019, 17:40:21] Kelly Tolhurst: Can you make sure that the SoS office is aware

[23/05/2019, 17:40:29] Jess Tysoe: Me either, the judge they tried to recuse was of course never going to grant them an appeal!

[23/05/2019, 17:42:42] Jess Tysoe: I have let SoS office, SpAds and perm secs office know.

Will send formal update as soon as I receive and then happy to set up a call tomorrow

IRRELEVANT

[23/05/2019, 17:48:40] Kelly Tolhurst: Jess - my belief is firmly that we need to change the board around of POL and we should be looking to put someone in.

IRRELEVANT

[23/05/2019, 17:51:58] Kelly Tolhurst: Based on this I think we need to get the chairman in on his own. So I can tell him that we are unhappy and he needs to consider his position

[23/05/2019, 17:54:19] Jess Tysoe: Ok, we can arrange the meeting for after recess. Would you prefer to have a discussion with Alex and SpAds beforehand?

I will let the BEIS team know about exploring the process further for changing the chair.

[23/05/2019, 17:55:10] Kelly Tolhurst: Yes will need to have a discussion with Perm sec and I will talk to spads and SoS over the weekend/tomorrow

[23/05/2019, 17:58:30] Jess Tysoe: Ok, I will make sure you have time in with perm sec ahead of meeting the chair.

Please let me know if you need anything ahead of calls with SpAds and sos

[23/05/2019, 17:59:38] Kelly Tolhurst: Thanks if you can just alert officials this is my thinking. Maybe we can have a call together after my meeting tomorrow late afternoon ?

[23/05/2019, 18:00:05] Kelly Tolhurst: And with officials

[23/05/2019, 18:04:53] Jess Tysoe: Will do and no problem will be on standby.

Would like to discuss the litigation as well as the chair issue? If so then Tom C will need to be on the call

[23/05/2019, 19:31:33] Rosie Perkins: A BEIS spokesperson said:

“Government recognises the challenges that Post Office’s face which is why it is crucial that running a branch is an attractive and sustainable proposition. Postmasters should, of course, be fairly remunerated for the services they provide to communities.

“Post Office operates as a commercial business and its imperative that its executive pay is set at a level that can attract and retain the talent needed. Government investment has bolstered the Post Office network by over £2 billion, transforming the network’s fortunes for the better – from a business losing £120 million of taxpayers’ money to one making a profit, while maintaining a stable and modernised branch network.”

[23/05/2019, 23:11:03] Kelly Tolhurst: Agreed

[24/05/2019, 10:04:55] Jess Tysoe: Morning Kelly, I followed up with officials on your thinking to change the POL board around.

Carl has come back and is more than happy to have a chat this afternoon, although unfortunately a lot of BEIS and UKGI officials are on leave today because of the Bank Holiday.

Also, I wanted to check that you are content for UKGI to be involved as they are responsible for POL Appointments, with the reassurance that this information will not be shared with the Board?

Please let me know if you would like a call with Carl and I after your meetings this afternoon.

IRRELEVANT

[24/05/2019, 12:34:35] Kelly Tolhurst: Can I have the update on the common issues decision from yesterday?

[24/05/2019, 12:35:02] Jess Tysoe: Yes, will email over

[24/05/2019, 12:40:02] Jess Tysoe: Do you also want to discuss the common issues trial on the call later? If so then I will need to ask Tom Cooper to join as he is best placed to update

[24/05/2019, 12:50:03] Kelly Tolhurst: No I don’t want Tom on call just update from out officials at this stage as I haven’t had any official update

[24/05/2019, 12:52:31] Jess Tysoe: Ok, will send across the update which came from POL now

[24/05/2019, 16:18:32] Jess Tysoe: Hi Kelly, officials are ready and on standby for a call at 4:30. Does this still work for you?

[24/05/2019, 16:21:59] Kelly Tolhurst: Only just left my meeting give me 15 mins to get to office

[24/05/2019, 16:22:45] Jess Tysoe: will do, dial in details are: Dial-In Number:

GRO

Conference code:

GRO

[24/05/2019, 16:36:01] Kelly Tolhurst: I’m back

[24/05/2019, 16:36:06] Kelly Tolhurst: Shall I dial in ?

[24/05/2019, 16:36:25] Jess Tysoe: Yes, Carl, the BEIS lawyer and I are on the

IRRELEVANT

[29/05/2019, 09:34:55] Kelly Tolhurst: Hi yes anytime - thanks
[29/05/2019, 09:52:13] Kelly Tolhurst: Couple of things - where are we with Post office letter ? **IRRELEVANT**
[29/05/2019, 10:56:50] Kelly Tolhurst: Just thinking - it would be good to know what comms day about the Mail as we should be offering a strong rebuttal a
[29/05/2019, 11:00:52] Jess Tysoe: Jacob has been clearing BEIS spokesperson quotes to rebut the new claims.

Comms have said they will be tweeting positive statistics on Post Office throughout the day.

We had prepared a positive op-ed but as it contained the same arguments as the dear colleague that the mail have got hold of they decided against it.

POL comms are considering an op-Ed as a way to show the asks are already being addressed of which we will feed into if they decide to go ahead with
[29/05/2019, 11:02:43] Kelly Tolhurst: Thanks Jess, I really would quite like to go for a proactive op-Ed on this and start working on it with Spads and comms - I think it's important that I do it
[29/05/2019, 11:04:10] Jess Tysoe: No problem, will let comms know, hopefully it will just be a matter of updating the one they say they drafted yesterday

IRRELEVANT

[29/05/2019, 14:03:44] Jess Tysoe: Hi Kelly, SpAds were happy with the letter to the chair of POL and made no changes. I will issue now and email you a copy.

I have spoken to comms and they have drafted an OpEd, it is currently with SpAds for clearance.

Finally, I passed on that you would like to front any media enquires. I will let you know if we get any requests or interest in interviews/quotes

IRRELEVANT

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[29/05/2019, 14:58:37] Kelly Tolhurst: I have just read the post office update, this is really crazy that an post office can shut at such short notice. Can we have further details on this? I'm really starting to worry about what's going on with how they manage things

[29/05/2019, 15:01:06] Jess Tysoe: Yes, I will ask the team to get more info from POL on why it could be closed so suddenly and will ask for further details on when it will be re-opened/arrangements for the interim period

[29/05/2019, 18:28:08] Kelly Tolhurst: Thanks Jess

IRRELEVANT

[31/05/2019, 09:12:44] Kelly Tolhurst:

<https://www.dailymail.co.uk/news/article-7088619/Post-Office-bosses-spent-18-MILLION-fighting-legal-battles-against-staff.html> - can I have an update on what we are doing about this from comms - slightly annoyed I'm not being given an opportunity to even respond

[31/05/2019, 09:57:45] Jess Tysoe: A press notice has been prepared but Jacob came back yesterday and wasn't happy with it and asked for it to be re drafted, I hope to be able to share with you today.

We haven't had any requests or interest in quotes/interviews so far but I will pass all on if received.

Separately, Will has commissioned a WMS for when the house returns

[31/05/2019, 10:04:59] Kelly Tolhurst: We need to be proactive on this

[31/05/2019, 10:06:27] Jess Tysoe: Sorry I meant Op-Ed not press notice.

Would you like us to reach out to the daily mail to get you an interview for when you are back?

[31/05/2019, 10:15:03] Jess Tysoe: Jacob has asked comms not do an op-ed at the moment as he has a meeting with the Daily Mail on Monday to discuss and work out

how to bring this to an end. He said he will discuss with you after the meeting how he things we close it.

Separately, Al had a meeting with officials yesterday and confirmed work is in hand for getting the information requested in the letter to Tim. He offered to share his mobile details with you to give you a heads up on any significant developments at POL. Is this something you would be comfortable with?

[31/05/2019, 16:18:20] Jess Tysoe: Hi Kelly, I followed up with Richard Pennycook for retail background candidates for the POL CEO role, which are below. Are you happy for me to send them over to UKGI?

- Fiona Rodford (ex HR Director of BAA)
- CEO's of Independent Cooperative Societies; Martyn Cheatle, Mark Smith and John Brodie
- Ursula Lidbetter, Lincolnshire Coop
- Mike Logue, Dreams Finally

The process has begun to get a new NED to replace the one who's term ends in September as requested. They wont be reappointed.

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[04/06/2019, 10:00:42] Jess Tysoe: Hi Kelly, they're adding Post Office to the Industry agenda this morning. Jacob met with the mail yesterday and is happy to come round to chat when you are in

IRRELEVANT

[04/06/2019, 11:47:53] Kelly Tolhurst: Just in lift
[04/06/2019, 11:55:56] Kelly Tolhurst: Tom Cooper is at the meeting
[04/06/2019, 11:56:12] Kelly Tolhurst: Totally unacceptable to have open conversation with him in the room
[04/06/2019, 11:58:53] Jess Tysoe: Apologies we understood that the conversation would be about the daily mail campaign following Jacobs meeting yesterday
[04/06/2019, 14:34:39] Kelly Tolhurst: Agree post office WMS
[04/06/2019, 14:34:55] Jess Tysoe: Great, thank you

IRRELEVANT

[04/06/2019, 15:09:53] Jess Tysoe: Hi Kelly, just a heads up the written judgment of the trial judges decision to not give permission for POL to appeal will be issued this afternoon.

We already know that it will say they haven't been given permission but will more than likely go into a lot more detail.

I have informed comms and they are drafting reactive lines. They will also monitor any media enquiries

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[06/06/2019, 20:14:00] [GRO] Hi Kelly,

We received an update on the Post Office Group Litigation that you should be made aware of;

Yesterday the Managing Judge delivered his fifth written judgment in the Group Litigation which I have just attached.

The Judgment addresses the costs issues determined at the hearing on 23 May 2019. It does not provide reasons for the Managing Judge's refusal to grant permission to appeal the Common Issues judgment which was also dealt with on 23 May 2019, but notes that these will be provided with the procedural form which must accompany the application to the Court of Appeal for permission.

The Judgment affirms in writing the costs findings made on 23 May 2019, i.e. that costs would not be reserved but were ordered to be paid by Post Office, subject to a 10% discount, assessment on the standard basis, and an interim payment of c.£5.5m. In his judgment, the Managing Judge also criticises Post Office for:

Advancing an argument of "pre-determination" to justify reserving costs until a clear "winner" of the litigation could be identified, when this had not been raised in writing before the hearing, and ignored the Managing Judge and Court of Appeal's rejection of pre-determination when dismissing the Recusal

application.

Not addressing the court's specific powers when dealing with costs in Group Litigation.

Advancing "wholly unrealistic" arguments which could result in the litigation becoming a war of attrition in which the party with the deepest pocket wins (from which it could be inferred he means Post Office, given references later in the judgment to Post Office's costs to date and publicly owned status).

Unnecessarily complicating and extending the Common Issues trial by putting in issue (particularly through cross-examination) Post Office's monthly branch accounting processes.

The Judgment concludes with the Managing Judge expressing concern at the level of costs incurred to date, and puts the parties on notice that "detailed costs management discussions with the court" will follow the Horizon issues trial.

The only specific action that needs to be taken following delivery of this judgment is to obtain clarification from the court as to when it will issue the reasons required to appeal to the Court of Appeal. This is being progressed.

Therefore this does not mean that Stage 1 is over. The judge refused permission to appeal, but POL can and will lodge an appeal with the Court of Appeal. That appeal will be focused on limited, though important, elements of the judgment, not its entirety. POL do now have to pay the costs of £5.5m.

[06/06/2019, 21:04:26] Kelly Tolhurst: Thanks Hibaq - what a complete nightmare

[06/06/2019, 21:04:49] Kelly Tolhurst: Agreed

[06/06/2019, 21:12:42] [REDACTED] I know it is, and to think they will be attempting to lodge another appeal

[06/06/2019, 21:12:49] [REDACTED] Thank you

[06/06/2019, 21:13:29] Kelly Tolhurst: It's just ridiculous!

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[11/06/2019, 10:11:04] Gordon Hipwood: Here are the Post Office lines you asked for:

- Porthleven Post Office: Background
- MP feared that the branch may close as the operator is surviving week to week due to very weak retail. The branch customers visits have been actually increasing, but with bare shelves and it appears no more lines of credit available to the operator, then the retail income is weak. NFSP and Post Office Ltd retail support teams are trying to help, as is the community through a type of crowd-funding route, but the future under the current operator is at risk.
- The latest is that the operator has submitted a change of use planning application for holiday accommodation, which is due to be granted on the 4 June. The Post Office will therefore close today 11 June.
- There is capacity in the new PO Mobile route to accommodate a weekly visit to Porthleven as a temporary solution.

- Post Office has written to the MP to update him on the situation.

Lines to take

- It is a concern of the local communities when a post office closes temporarily.

- However, with a network of over 11,500 branches some unexpected closures can and do occur for a variety of reasons, including the resignation of a postmaster as in this case.

- In these instances, the Post Office will try to restore services as soon as practicable by putting in place temporary arrangements or working hard to find an alternative location

[11/06/2019, 10:12:07] Kelly Tolhurst: Who is the Mp?

[11/06/2019, 10:12:45] Kelly Tolhurst: Is it Derek Thomas ?

[11/06/2019, 10:13:58] Rosie Perkins: Yes it's derek Thomas

[11/06/2019, 10:14:07] Kelly Tolhurst: Ok I will give him a ring

IRRELEVANT

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[11/06/2019, 17:07:57] Gordon Hipwood: Hi Kelly, another update from the Post Office team:

POL have been seeking to appoint an interim CFO following Al Cameron's appointment as interim CEO.

An external candidate, Afua Kyei, had previously accepted the position but delayed signing her contract pending receipt of a bonus at her previous employer. She was subsequently offered - and accepted an alternative permanent job.

Given the urgency, POL propose to fill the position by promoting Kathryn Sherratt, who has just been recruited as CFO for POL's Financial Services business unit. In March, Ministers delegated the interim CFO appointment to the Board, so this will not require formal ministerial approval. The remuneration will require CST clearance, which we are currently pursuing.

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[12/06/2019, 15:41:23] Gordon Hipwood: Hi Kelly, quote for you clearance on Post Office- would be good to issue tonight ahead of tomorrow's meeting:

Kelly Tolhurst, Minister for Postal Services said:

“I share the pride and passion that Daily Mail readers have in the Post Office and I am determined to ensure its long-term success. That is why we have already put in place measures and investment of over £2 billion since 2010 to safeguard its long-term future, protecting and securing over 11,500 branches. The new banking agreement for example, means that from October postmasters will get paid double or even triple for providing banking services.

“Today I have brought together the Post Office leadership team and representatives of local postmasters to launch a new review into pay. I want this substantial review to engage meaningfully with postmasters across the country and be concluded as quickly as possible to ensure postmasters receive a fair wage for the services they provide.

“In many parts of the country Post Offices, and the postmasters, who run them are the heart of the community and I want to thank the Daily Mail for shining a light on the massive contribution they make.”

[12/06/2019, 15:49:09] Kelly Tolhurst: Agreed

[12/06/2019, 15:49:56] Kelly Tolhurst: The scams dear colleague is agreed with the attachments - brill to get it out

[12/06/2019, 15:50:16] Gordon Hipwood: Thanks Kelly

[12/06/2019, 15:50:24] **GRO** Great thanks Kelly

[12/06/2019, 17:06:04] Hi Kelly,

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[12/06/2019, 21:30:38] Kelly Tolhurst: Well I will not cancel post office - IRRELEVANT

IRRELEVANT

[13/06/2019, 06:05:17] Rosie Perkins: VICTORY ON POST OFFICES

Minister praises Mail's campaign as she pledges fairer pay for local postmasters

Pay rates for struggling postmasters are to be reviewed to try to stop a wave of branch closures.

In a victory for a Daily Mail campaign to save the vital network, business minister Kelly Tolhurst insisted staff should receive a fair wage. Today she is hosting a summit of executives and sub-postmasters at the start of a major seven-week salary review.

The news will lift towns and villages that fear losing their sole branch. Many postmasters have warned that years of pay cuts have wiped out their profits, leaving them no choice but to close.

More than 1,000 post offices are currently shuttered and in April 2,500 sub-postmasters warned they could close or downsize over the next 12 months.

Around £110million has been wiped off postmaster pay since 2012, even as top executives continued to claim huge bonuses, accounts show.

Miss Tolhurst said: 'I share the pride and passion that Daily Mail readers have in the Post Office and I am determined to ensure its long-term success.

'Today I have brought together the Post Office leadership team and representatives of local postmasters to launch a new review into pay. I want this substantial review to engage meaningfully with postmasters across the country and be concluded as quickly as possible to ensure postmasters receive a fair wage.'

This newspaper is demanding that sub-postmasters, the private businessmen and women who run local post offices, are paid fair fees to reflect the vital services they provide and their long hours.

The Post Office has pledged to bring forward an increase in the fees paid to postmasters for offering customers banking from January 2020 to October this year. The fee for handling an £8,000 deposit will rise from £3.12 to £8.16.

Sub-postmasters insist their fees for other services are still far too low.

They are paid just £1 for checking an identity document, even though customers are charged £10.50.

Post offices also lose out when customers go online to buy stamps and parcels, pay bills and use government services.

Andy Furey of the Communications Workers' Union, which represents 300 postmasters, welcomed the pay review.

He added: 'This would not have happened without the Daily Mail's campaign because the exposure of what's happening to postmasters has forced the Post Office and government to instigate this review. The review is long overdue and desperately needs to redress the balance between the losses that have been incrementally incurred over a number of years.'

MPs campaigning to protect post offices said the pay review must lead to meaningful changes for postmasters.

Former Liberal Democrat leader Tim Farron said: 'With more and more banks abandoning our high streets, the importance of our local rural post offices - especially for older people - has never been greater. The fact the minister has waded in and launched a badly-needed review into postmaster pay will hopefully end up being a big win for rural communities.'

Al Cameron, interim chief executive of the Post Office, said: 'We are committed to ensuring our postmasters receive a fair remuneration for the vital services they provide to customers.'

'We announced significant increases for providing cash deposit services, which are in addition to other recent increases in banking services remuneration. We are also conducting a special review into wider postmaster remuneration. This is so we can support our retailers to ensure their businesses are as efficient and profitable as possible.'

IRRELEVANT

[13/06/2019, 16:48:36] Gordon Hipwood: Hi Kelly, this is the quote for the mail:

The Post Office is a truly trusted British brand and we all, in government and Post Office management, have a responsibility to keep it prominent in our communities.

"I was pleased that everyone approached today's discussion so positively.

"The meeting assured me that the issue of fair pay for sub-postmasters is being considered seriously and I look forward to hearing the outcome of the

comprehensive pay review which I kicked off today.

“Today’s working group will continue to meet to tackle some of the upcoming challenges facing the Post Office and their sub-postmasters.”

IRRELEVANT

[14/06/2019, 13:37:44] Gordon Hipwood: Hi Kelly, I have just emailed you to say

that On 11 June, the assessment panel interviewed 5 candidates for the Post Office CEO position.

The panel's report is attached, together with CVs for the three recommended candidates.

Officials recommend that the you meet with Tim Parker (POL's Chair), Permanent Secretary and Secretary of State to discuss the panel's conclusions, before a final decision is made about which person to appoint. (SoS may well elect not to attend)

Perm Sec has advised advised that if possible, the UKGI NED, Tom Cooper and the independent panel member Xenia Carr-Griffiths should also attend.

Half an hour should be sufficient and if necessary this could take place by phone- is this something you would like to find time in your diary to do, and if so would you prefer a meeting or phone call (perhaps on Friday)?

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[14/06/2019, 15:51:28] Gordon Hipwood: Kelly, I've sent you by email a short sub for your info (or to comment) on a potential conflict of interest that has arisen on the Post Office Board, and a letter from Tim Parker explaining how he intends to manage it.

In short, Shirine Khoury-Haq, a NED on the Board of Post Office Limited, has accepted a position as CFO for the Co-op Group.

There is potential for conflict of interest as Co-op operate post offices in 235 of their 2582 food stores and also offer some insurance products that compete with those of Post Office Insurance.

Officials say they believe POL have proposed appropriate action to mitigate them, and do not believe Khoury-Haq should be asked to leave the board.

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ISSUE: Tomorrow at 10am Kelly Tolhurst will be giving evidence on the Post Office to the BEIS Select Committee. To coincide with her evidence session, Citizen's Advice will be putting out a report on their review of the Network Transformation Programme and have given the below press notice exclusively to the Daily Mail. Whilst the review is positive and concludes that the programme has broadly achieved its objectives, the release focuses on a call to protect 3,000 post offices and effectively adds their voice to the calls for Government to commit subsidy beyond 2021. This is not what the report focuses on. We are conscious this could reignite the Daily Mail campaign again. So far the Mail has not approached us for comment.

RECOMMENDATION: We will monitor for coverage of the Select Committee session and dependent on coverage, issue the below spokesperson line reactively. If other issues discussed in the session gain media attention we have a number of previously cleared lines which can be tailored specifically to the focus of coverage.

Kelly Tolhurst said:

"We recognise the vital role that Post Offices play in communities up and down the country and that is why the government is committed to ensuring a sustainable future for the network.

"We have invested £2 billion in modernising the network since 2010. As a result, the network is in its most financially stable position in decades and is now in profit for the first time.

"Earlier this month I hosted a working group meeting which will continue to meet to tackle some of the upcoming challenges facing the Post Office and sub-postmasters."

IRRELEVANT

[24/06/2019, 20:07:16] Jess Tysoe: Apologies, Will cleared but Jacob just made an edit:

Kelly Tolhurst said:

"We recognise the vital role that Post Offices play in communities up and down the country and that is why the government is ensuring a sustainable future for the network - with over 11,600 branches, well above the legal minimum stipulated by the government.

"We have invested £2 billion in modernising the network since 2010. As a result,

IRRELEVANT

[25/06/2019, 07:53:04] Jess Tysoe: Separately, Ben from the Post Office Legal Team has followed up on your request during the meeting yesterday to know the legal costs to date on the Group Litigation. In short, the legal costs total £20,063,319 to date in respect of the proceedings which comprise of legal fees of 14,205,089 and adverse costs orders of £5,858,230.

[25/06/2019, 07:53:53] Kelly Tolhurst: Thank you

IRRELEVANT

[25/06/2019, 08:06:58] Kelly Tolhurst: The example in the post office pack under Crown Branches they mention Rizwan Salahuddin - is that an independent franchise from a crown branch?

[25/06/2019, 08:08:00] Jess Tysoe: Apparently there is only one bank (the team are finding out the name now) who hasn't signed up to the Banking Framework 2.0 but their intention is to sign up however their internal clearances are holding it up unintentionally

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[25/06/2019, 13:06:40] Jess Tysoe: On a separate Post Office issue, would you like to meet all 3 of the appointable candidates for the CEO role or just the two recommended?

[25/06/2019, 13:13:28] Kelly Tolhurst: Well I think prob the 2 but might have to meet all 3 ask for advice on this

[25/06/2019, 13:13:47] Jess Tysoe: Will do, thanks

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[02/07/2019, 17:58:48] Jess Tysoe: Hi Kelly, we just a small update from UKGI on the POL Litigation: The Horizon trial concluded today and judgment is not expected until the Autumn. The Judge has indicated that the third trial cannot now take place in November and instead will take place in March 2020. The parties have been asked to agree directions for the scope and conduct of the third trial. We are seeking clarification about this from POL and will update you as soon as we have that.

Separately, I have emailed over an update from POL on Kensington Post Office requested.

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[18/07/2019, 09:38:09] Jess Tysoe:

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ISSUE:

Today, the Post Office will be announcing their new CEO, Nick Read, formerly CEO of retail outlet NISA and current CEO of Extra Energy. The announcement will be made around 1pm, after an internal business announcement is made to Post Office staff.

Nick has been appointed following an open recruitment round which included the current interim CEO, Al Cameron, who also applied for the position.

The remuneration package for the new CEO will be similar to that of the previous CEO, however the component parts will be different - notably there will be an increase in base pay, but with a reduction in performance pay. This package is expected to be agreed by the time of the CEO's appointment, however it will not be made public until the Post Office publishes their annual accounts.

RECOMMENDED QUOTE TO CLEAR FOR INCLUSION IN POST OFFICE PRESS RELEASE:

Kelly Tolhurst, Business Minister said:

“The Post Office, the largest retail operation in Europe, is of huge importance to our country and a fantastic national brand. We have a responsibility to ensure it can continue to serve our local communities up and down the United Kingdom.

“Nick Read’s appointment as CEO of the Post Office will help it address the challenges facing it in the modern day and I look forward to seeing it continue to thrive under his leadership.”

Additional information:

- We have provided over £2 billion of investment in the network since 2010, helping modernise branches and ensure the Post Office is in its most financially stable position in decades.

[18/07/2019, 10:59:14] Gordon Hipwood: Hi Kelly, I've just sent you the revised NMW sub you asked for. To note, pending your approval this could still be announced tomorrow alongside one sided flexibility.

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[23/07/2019, 15:06:40] Jess Tysoe: Hi Kelly, ahead of your meeting tomorrow with Victoria Borwick and Councillors to discuss South Kensington Post Office, I have just emailed over the decision letter dated 2 July following a local public consultation together with a background note leading up to the proposed closure of South Kensington Post Office provided by POL. The decision document also sets out the latest position, along with timeline summary of engagement, including with local ward councillors.

I will print off a hard copy to give you in the morning.

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[29/07/2019, 11:32:35] [GRO] Hi Kelly - a few updates on the Post Office:

(1) The Perm Sec would like a phone call with you this afternoon about an urgent issue which has arisen regarding bonuses for the Executive Team at the Post Office. I have emailed you a sub which explains the issue in detail. Perm Sec agrees with the recommended approach and has asked officials to draft a letter to this effect. Are you happy for us to arrange the phone call?

(2) As an interim step Post Office will increase pay for postmasters by 10% and bring forward the increase in remuneration for cash deposits to be effective immediately rather than in October. The more detailed review of agent pay is still planned to conclude in the Autumn.

(3) McColls is planning to close 17 which contain post offices. This is to do with an acquisition they made of 160 Coop stores last year. Post Office is looking for replacements in the usual way.

(4) I have emailed a sub to you which provides an update on litigation. The headlines are that POL are hoping for initial mediation in Sept/Oct but don't expect progress towards settlement until April/May 2020.

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[29/07/2019, 13:44:52] [GRO] Hi Kelly - here is the breakdown that UKGI have provided for POL's £14 million bonus payment:

- Circa £12.8 million of annual bonus for POL staff that are below the Group Executive level but still considered to be leadership within the PO Group
- Circa £700,000 for annual bonus (STIP for 18/19) for POL Group Executive
- Circa £750,000 for incentive pay (LTIP for 2016-2019) for Group Executive
- Circa £80,000 for annual bonus (STIP for 18/19) for Group Executives at Post Office Insurance

UKGI are in the process of liaising with POL HR to confirm that they have fully understood the break down but I thought best to share with you before the 14:00 call. I have also emailed another draft letter which has been altered by Perm Sec - he would like to discuss the letter during your call.

[29/07/2019, 13:49:28] Kelly Tolhurst: Can I have more info on the 12.8m - also on the group executives how many is this between ? For the LTIP and STIP ?

[29/07/2019, 14:01:36] [GRO] - Circa £12.8 million of annual bonus for POL staff that are below the Group Executive level but still consider to be leadership within the PO Group - 1,400 PERSONS

- Circa £700,000 for annual bonus (STIP for 18/19) for POL Group Executive - 10 PERSONS

- Circa £750,000 for incentive pay (LTIP for 2016-2019) for Group Executive - 8 PERSONS

- Circa £80,000 for annual bonus (STIP for 18/19) for Group Executives at Post Office Insurance - 2 PERSONS

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[30/07/2019, 13:38:58] **GRO** Hi Kelly - Post Office quote for clearance:

ISSUE

We have been approached by a freelance journalist who is writing a feature for the August edition of the National Federation of Subpostmasters' trade title, The Subpostmaster. He would like to interview the Minister as part of a piece which is based on a theme of political support for the Post Office network against a backdrop of the rise of retail threats, in particular e-commerce.

TIMING

10 minutes on the phone by Thursday morning

AREA OF QUESTIONING

Political support for the Post Office network, specifically:

- how the Government will support the Post Office; and
- whether pledges made before the appointment of the new PM will in any way be affected.

RECOMMENDATION

As we have already said a lot in the past about support for the Post Office we recommend a decline and instead provide previously cleared line along with a briefing from the media team on everything the Minister has done in support of postmasters.

Kelly Tolhurst said:

"We recognise the vital role that Post Offices play in communities up and down the country and that is why we are ensuring a sustainable future for the network - with over 11,600 branches, above the legal minimum stipulated by the

government.

“We have invested £2 billion in modernising the network since 2010. As a result, the network is in its most financially stable position in decades and is now in profit.”

[30/07/2019, 14:45:51] **GRO** image omitted

[30/07/2019, 14:48:58] Kelly Tolhurst: Not sure about this quote - also it's not a legal minimum as there is no legislation for this - happy to work a better quote - when is the deadline ? They can say I'm unavailable to do an interview to this deadline but happy to for next edition etc etc

[30/07/2019, 14:49:25] Kelly Tolhurst: I can look at them tomorrow

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[30/07/2019, 16:24:21] **GRO** Hi Kelly,

Update on Post Office: Tom Cooper has spoken to Tim Parker. The payment of bonuses will be deferred pending discussion with BEIS. If Perm Sec's current meeting finishes early, he will speak with Tom and Tim at 16:45. The immediate discussion is likely to revolve around whether BEIS wants to reduce bonus payments for all employees, or just for the senior executives. If the latter POL would like to pay the rest of employees' bonuses in the normal way. Let me know if you want to be on the call - it's not essential and Perm Sec has said he happy to lead and can provide a read out.

[30/07/2019, 16:27:07] Kelly Tolhurst: Thanks for update - I will let him lead on it and then if he can update me - it would be helpful though to still have the information that I was asking for yesterday. It's important that we understand what is in these contracts etc - as that could also bite us - so would like more information all round on this issue - thanks

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[01/08/2019, 17:29:49] Jess Tysoe: Hi Kelly, today POL plan to announce that they will be making increases to remuneration for banking transactions and that community branches will receive an increase in their monthly remuneration. As such I would be grateful if you could clear the below quote in support of these announcements:

ISSUE:

On 13 June the Minister kicked off a review into pay for postmasters. Today the Post Office will be announcing to their teams the initial outcomes, with the full report to come in the Autumn. They will be briefing the Daily Mail this afternoon.

They will be making two announcements:

- 1) Increases to remuneration for banking transactions which were due to commence in October will be brought forward to today
- 2) Community branches, typically the 'last or only shops in the village', will receive an increase in their monthly remuneration

RECOMMENDATION:

We recommend offering the below quote from the Minister proactively to the Mail:

Minister for Postal Affairs, Kelly Tolhurst said:

"This is a great first step for the review which will make a real difference to postmasters' incomes. This will especially help those in rural branches which are often at the heart of their communities.

"I am particularly pleased that the review is already engaging meaningfully with postmasters across the country and I look forward to seeing further positive outcomes as it continues in the coming months"

[01/08/2019, 19:35:56] Kelly Tolhurst: Agreed - thanks c

[01/08/2019, 19:36:01] Kelly Tolhurst: X

[02/08/2019, 16:13:19] Jess Tysoe: Hi Kelly, just to keep you updated on the POL Bonuses issue:

- Alex Chisholm is now on leave for a few weeks and has asked Sarah Harrison (DG) to handle the issue as acting Perm Sec. The BEIS Post Office Team

and Legal Colleagues met with her this afternoon to discuss.

- Reflecting the submission which I have just emailed over to you, Sarah has agreed with the recommended approaches which are in line with what you and Alex's steers from earlier this week.

- The BEIS Post Office team are now drafting a note on that basis. The note will ask POL to issue bonus payments to the c.1400 eligible non-Executive staff and to reconsider the legal implications of their proposed approach to reducing bonuses for the Group Executive, reverting with an alternative proposal if necessary.

I will of course keep you informed as this develops, but I just wanted to provide a quick update to reassure you that the matter is in hand, in Alex's absence.

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[15/08/2019, 12:19:50]: **GRO**: Hi Kelly, this is the update on the Horizon issue which has now been resolved.

Over the last few weeks a number of postmasters have experienced some intermittent slow running of the horizon system. In practice, this meant that on some occasions it took longer to process transactions for customers. There was no obvious pattern and it therefore took some time to isolate the reasons for the issues. Throughout this period POL set up a dedicated team working with the affected branches to isolate and resolve the issue. The team believe the fault to be related to an earlier software update and we have now put a fix in place. Since then, POL have no longer received reports about this issue.

POL will continue to monitor this closely and will keep us up to date should further faults rise/be reported. Let me know if you need anything further.
Thanks, Nehal

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[18/09/2019, 12:34:00] Jess Tysoe: Hi Kelly, you asked for an update on how the interviews went for the Post Office NED's before making a final decision on whether to extend the current NED's term:

POL's Selection Panel has selected two appointable candidates for the two NED roles, with a third back-up also identified. All three candidates are female, and one is BAME. They are currently in the process of agreeing arrangements with their current employers and POL is hopeful that they will be in place for the October Board meeting.

The current NED's term expires on Monday, which will create a gap of two until the new NEDs arrive.

Officials are strongly advising you agree to extend the current NED's term to close the gap until his replacements start, for a maximum of 3 months. They have said that it is a crucial time for POL with the outcome of the litigation judgement imminent and as the new CEO beds down.

Would you like to extend the current NED's term for a maximum of 3 months?

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[18/09/2019, 13:49:11] Kelly Tolhurst: I thought we had to sign off NEDs for POL ?

[18/09/2019, 13:49:31] Kelly Tolhurst: The Correspondence folder

[18/09/2019, 13:53:09] Jess Tysoe: You do, but they need get a formal readout from the panel and put it into a submission for your approval to appoint.

In the meantime, the current NED's term ends on Monday so they need a decision on whether you are happy to have his term extended for a maximum 3 months, or until the new NED's start

[18/09/2019, 13:54:30] Kelly Tolhurst: So I don't understand your message when you say they are sorting out arrangements with their current employers ?

[18/09/2019, 13:57:41] Jess Tysoe: So one of the candidates would potentially be doing it along side their current job, so they are exploring if they are able to do so and making sure there are no conflicts of interest (they are an executive at the BBC)

The other candidate has asked for an informal chat with the CFO before accepting the offer

[18/09/2019, 13:58:36] Kelly Tolhurst: So they have already been offered the roles?

[18/09/2019, 14:00:29] Jess Tysoe: UKGI have said that they've been informed that that they have met the mark, but they have been told explicitly that it is subject to the shareholders approval

[18/09/2019, 14:01:28] Kelly Tolhurst: So it would have been better to have a choice of NEDs - I think I need a sub on this rather than bits in messages

without the full picture

[18/09/2019, 14:05:34] Jess Tysoe: There are 3 applicable candidates and you will get a full submission next week for your approval, including the panels assesment of each. For now UKGI have asked for your approval to extend the current NED's term (for a maximum 3 months) to avoid a gap

[18/09/2019, 14:06:46] Kelly Tolhurst: Yes you have asked 3 times - I'm asking details of the NeD interviews

[18/09/2019, 14:06:57] Kelly Tolhurst: I will come back to you

[18/09/2019, 14:07:39] Kelly Tolhurst: I'm not happy about NEDs being told they have got the job before they have been signed off

[18/09/2019, 14:11:14] Kelly Tolhurst: Sadly a choice of 3 for 2 spots isn't really that great

[18/09/2019, 14:15:32] Jess Tysoe: I have asked the team to provide the panels assessment for each of the interviews that took place, even those that were deemed not appointable - I will share with you as soon as received

[18/09/2019, 15:18:58] Jess Tysoe: I have just emailed this over to your BEIS address

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[07/10/2019, 15:16:46] Jess Tysoe: Hi Kelly, as mentioned by Calum just now please see below a supportive quote for the announcement on Wednesday. I will share with you the latest press notice once we receive the lines discussed from treasury!

ISSUE:

The Post Office has signed an agreement with 28 UK banks that will ensure

millions will continue to have free access to everyday banking services. The framework will also ensure that postmasters will be remunerated appropriately, as well as allowing the post office to invest in future service improvements. The Post Office is a life-line to vulnerable customers, and those in rural areas, where their closest banking option is often a Post Office.

The Post Office is issuing a press notice on Tuesday, embargoed until Wednesday.

It is important to note that Barclays' customers will lose their ability to withdraw cash Post Offices from 8th Jan 2020. This is the only bank that decided to remove their services. Barclays customers will be able to continue to deposit cash, cheques and access change and balance enquiries. This is highlighted quite prominently in the press notice. This could lead to potential criticism of Barclays, and as a result, we are working on an agreed cross-government spokesperson reactive statement with HMT. HMT is unlikely to want to criticise Barclays. Minister Tolhurst is speaking to Treasury Minister John Glen today to agree a position.

You will be aware that SoS and John Glen are hosting the Business Finance Council on Wednesday, which Barclays will attend, and our comms plans around this.

RECOMMENDATION:

We recommend providing the below quote for use in the press notice.

Minister for Postal Affairs, Kelly Tolhurst, said:

“Post Offices provide a vital public service to local communities up and down the country including by offering banking services. I am delighted that banks have signed this new agreement, enabling the Post Office to continue positively impacting people's lives and supporting SMEs, as well as ensuring post masters' pay is fair and reflective of the essential service they provide.”

[07/10/2019, 15:31:53] Kelly Tolhurst: Agreed

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[17/10/2019, 17:41:09] Sam: Couple of other questions:
Would you like to go ahead with the post office interview tomorrow?
No10 have asked all ministers to call their relevant sector stakeholders on the new deal before Saturday. Most the ones you have been asked to cover are retail and we will be provided with briefing shortly. Are you able to do any tomorrow?

[17/10/2019, 18:13:25] Sam: Update from Calum on the POL interview:
In further correspondence with Number 10, I explained that the Minister is likely to call on Barclays to reverse its decision and go beyond what we have said to date - making the case for vulnerable customers and those who live rurally. And that with bank branch closures, post offices now provide a vital service and it's fair that banks pay their way and support post masters with fair fees.

Number 10 said it is not keen on 'bashing' Barclays. They asked if the Minister had spoken to Barclays and heard their reasons - I said there had been multiple conversations / letters with the UK CEO. Number 10 holds the view that this is a commercial decision and "a bit anti-business" to be critical of them, especially in a world where cash usage is in decline.

These are the views of both the PM's Business Advisor Andrew and the PM's Economic Advisor Douglas.

I said I would relay this to the Minister and let them know how we decide to proceed.

[17/10/2019, 18:20:30] Kelly Tolhurst: Well for starters I was not going to be Barclays bashing, so that I a misrepresentation. It was actually about doing a piece about the positives of the 27 banks - maybe they should inform their ministers in DWP that sentiment - I want to go ahead with the interview

[17/10/2019, 18:24:40] Kelly Tolhurst: That's really annoyed me

[17/10/2019, 18:30:39] Sam: I think calums argument when you met was that the media aren't interested in a positive piece in the banking framework. The daily mail have said they're only interested in another story if we have something more to add on the Barclays situation.

I agree though that we should be pitching this as a banking framework interview with some inevitable questions on Barclays which you'll answer with a stronger line than previously

[17/10/2019, 18:31:20] Kelly Tolhurst: Yes that's right!

[17/10/2019, 18:31:50] Kelly Tolhurst: But that's not Barclays bashing, it's saying it as it is

[17/10/2019, 18:55:38] Kelly Tolhurst: I have got a busy day tomorrow happy to fit in calls around my appointments etc

[17/10/2019, 19:08:43] Sam: Calum apparently did make the point that you primarily saw this as an opportunity to highlight the positives of the Banking Framework more widely.

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[24/10/2019, 11:52:32] Jess Tysoe: Post Office report pr Oct 2019.docx document omitted

[24/10/2019, 11:52:32] Jess Tysoe: 247-Embargo.pdf • 65 pages document omitted

[24/10/2019, 11:52:33] Jess Tysoe: Hi Kelly, the BEIS Select Committee has shared with us their embargoed press notice and report on the Post Network for publication tomorrow, this is following your evidence session in June.

The Press Notice focuses on calling out Barclays to 'axe Post Office cash ban', in line with the messaging you and SoS have been putting out. The report calls on Barclays to reverse their decision. The Committee has also signalled that it intends to haul in Barclays bank bosses to face questions on the impact of this move.

Rachel Reeves has also said: If we want to avoid a bleak future of post-office closures, the Government needs to step forward with a long-term funding commitment beyond 2021 to support the Post Office network.

The team will be preparing some reactive lines, and possibly a quote for you to clear. We have 60 days to respond and I will share with you their prepared response to the recommendations in due course.

[24/10/2019, 12:03:45] Kelly Tolhurst: Oh well that doesn't sound too bad then really

[24/10/2019, 12:03:52] Kelly Tolhurst: Will have a read of it

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[04/11/2019, 14:25:41] [GRO]: Hi Kelly - you've got a few appointments subs with you, just a quick update from SpAds on two of them.

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- For the POL NED: SpAds are CONTENT to recommend Lisa Harrington. [04/11/2019, 16:39:05] Sam: Hi Kelly. Tom mentioned a POL quote for you. They only informed us of this announcement this morning.

ISSUE

The Post Office have today announced that their postmasters will be receiving a 10% increase in remuneration compared to 2018/19. This follows a six-month review which included engagement with Kelly Tolhurst, National Federation of SubPostmasters and retail partners.

DRAFT QUOTE:

Minister for Postal Affairs, Kelly Tolhurst, said:

“This is great news for postmasters who provide a vital role in local communities up and down the country.

“I have been pleased to bring together Post Office executives and the National Federation for Sub-Postmasters in our working group over recent months to discuss this and other issues.

“In addition to increased fees for providing banking services announced

recently, postmaster pay is now going from strength to strength and reflects the essential services they provide.”

[04/11/2019, 16:39:35] Kelly Tolhurst: Agreed

[04/11/2019, 16:40:22] Sam: Thank you. I put calum in touch with Alex earlier today to provide factual briefing for the post office quote you requested. I hope he can help as much as poss

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[07/11/2019, 14:05:03] Jess Tysoe: Hi Kelly, to follow up from the NED submission you cleared before dissolution POL have provided further assurance on the management of any conflict of interest Zarin may have. I have just emailed this over to you.

Separately on the litigation, as you will know the judgement is expected over the next few weeks. Later in the month Tom Cooper will be providing advice outlining the process and timing for approving the settlement offer that POL will be making at the mediation on 26/27 November. The amount involved at this stage is likely to be of the order of £30m although this has to be approved by the Board of POL next week. The figure is obviously significant but he has said that POL would fund the amount itself.

In addition to the amount, there is an issue in relation to the convicted claimants that Tom would like to discuss with you and Alex C to get a steer on. Would you be available for a phone call the w/c 18th November to be briefed on both topics?

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[18/11/2019, 10:16:10] GRO: Morning Kelly, Shanice will be calling you in 15 mins with officials to discuss the Post Office Litigation.

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[19/11/2019, 12:23:41] [GRO] Good afternoon Kelly - The Post Office Team wanted to let you know of this contact win/good news story for the Post Office
<http://www.mynewsdesk.com/uk/post-office/pressreleases/post-office-and-payzone-networks-to-become-exclusive-bill-payments-provider-for-british-gas-2944778>

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[21/11/2019, 16:11:32] [GRO] Good afternoon Kelly. I wanted to update you on the approval for the settlement offer for the Post Office Litigation.

Secretary of State has reviewed the advice and remains concerned about the optics of mediation occurring during the pre-election period. She is minded to explore with POL whether they would be willing to ask the Court/Claimants to move the date of the mediation to post election. A call has been scheduled for 5pm today between Perm Sec and POL's CEO to discuss possibly moving of the mediation date.

A readout will be provided after the call and we will keep you updated on this.

Thanks, Shanice

[22/11/2019, 10:30:43] [GRO]: Morning Kelly,

On Monday, you asked for lines on what you might be able to say publicly about today's judgement on the right to appeal the judgement from the first Post Office trial. Please see below.

Top line:

"The Government takes the ongoing litigation very seriously and is in regular contact with the Post Office as this continues. It will be for the Post Office to consider this judgement and decide on its next steps."

Additional speaking points:

- This is a complex matter with some of the cases involved stretching back to 2000
- I hope that the legal case will assist in the resolution of what are long-standing issues between some postmasters and the Post Office, so that postmasters with claims can obtain a remedy if the court finds there is validity

to those claims

- I have spoken regularly with its management throughout.
- The first judgement in March 2019 was highly critical of the Post Office's handling - but I am assured they have acknowledged the criticism, are taking it very seriously, and will be taking appropriate action where necessary

Thanks, Shanice

[22/11/2019, 10:42:32] Kelly Tolhurst: Do we actually know if we are getting the judgements? It would be useful to get an update on what's happening

[22/11/2019, 10:44:26] [GRO]: We expect the first judgement around noon today

[22/11/2019, 10:47:56] [GRO]: To update - following the call with Perm Sec and the POL CEO yesterday evening, POL CEO is talking to his lawyers who will speak to the lawyers/litigants on the other side of the mediation about potential delay. We will keep you updated on the progress of this.

[22/11/2019, 13:02:37] Sam: Hi Kelly. Might we be able to collect the correspondence you have with you on Monday morning?

[22/11/2019, 15:45:18] [GRO]: Hi Kelly, We have just had an update from Herbert Smith Freehills re Court of Appeal decision on POL's application for permission to appeal the Common Issues Judgement.

The Court of Appeal has refused permission on all ground to appeal the Common Issues Judgement. • POL's lawyers have informed us that they will be providing lines summarising the permission to appeal decision shortly. I will follow up with these when I get them.

[22/11/2019, 15:46:27] [GRO]: If necessary, please use the lines provided this morning above

[22/11/2019, 16:47:23] [GRO]: Herbert Smith Freehills have now also provided a short summary of the judgement. Please see below, but note that despite the tone of the summary, the judgement was critical of POL:

- The judge considered that Fraser J's conclusions were too difficult to disentangle from his findings of fact at trial - "no-one knows more about this case than Fraser J".

- He also considered that some points taken on the permission application are points that could and should have been taken at trial.

- On good faith, he emphasised that the duty is not a demanding obligation. The various terms he found to exist as an incident of good faith were based on the judge's findings of fact; given Post Office did not engage with the detailed terms at trial, it was too late now to take points about their breadth.

- The judge described Post Office's arguments on the construction of the notice periods in the contracts as "better". However, he says "Even if I thought Grounds 6 and 7 in isolation had a realistic prospect of success, there would be no point in granting permission unless I also felt that their grounds in respect of the alternative cases as to true agreement (Ground 9); incorporation (Grounds 14-15); and UCTA (Grounds 16-20) also had a realistic prospect of success."

- There is again some criticism of Post Office in the judgement, but not about the way its application was pursued in the Court of Appeal ("None of this

is a criticism of Ms Davies QC who was not involved in the trial or the application for permission to appeal to the judge in May, and who argued the points at the oral application for PTA with real skill and tenacity. But because of all that had gone before, she always had something of an uphill struggle.").

POL are considering the operational impact of this judgement and have proactive and reactive comms in place. They will provide us with further details next week.

Thanks - Shanice

[22/11/2019, 18:29:44] Sam: Nick Read has informed us today that the litigants wish to press on with the mediation that is scheduled for 27 and 28 November. We understand that their reasons are a strong desire to progress to the next stage, in their search for a financial settlement, and also because there would be costs for them from cancelling at this late stage.

Today's decision from the Court of Appeal will further strengthen their resolve to bring POL to the negotiation table quickly.

The CST has now approved the settlement range (a figure up to £65m).

SoS has asked us to let No10 know that we were unable to reschedule the mediation. Provided they are content, the aim is to issue a shareholder approval letter on Monday in good time for the mediation to start on Wednesday.

[22/11/2019, 19:26:53] Kelly Tolhurst: Thanks for update - can I be kept updated on what comes in on this please

[22/11/2019, 19:56:41] Sam: Of course, will do

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[06/12/2019, 12:21:34] Jess Tysoe: Hi Kelly, I hope you are well! I have just emailed over a submission for you to note updating you on the POL Litigation mediation.

Following approval from you and the CST to a proposal from the POL Board to authorise settlement of this Group litigation at a figure up to £65m, POL began a mediation with the Claimants on 27 November. Although initially scheduled for 2 days the parties have been making significant progress and the mediation is continuing. Officials had advised that the first mediation was unlikely to be successful, but - thanks to good progress - it is now possible that a positive settlement will be achieved within the authorisation provided.

The settlement is expected to be announced as soon as an agreement is reached. This could be as soon as tomorrow but in any event is likely to be before 16 December when the judgment in the Horizon trial will be handed down. Any announcement should be by a statement agreed between the parties to the Group litigation, but it is possible that news of any settlement will go public as

soon as the mediation has completed.

If you have any questions about the advice or would like to discuss this with officials/perm sec then please let me know. I will continue to keep you updated as this issue progresses - thanks!

[11/12/2019, 09:41:24] Jess Tysoe: Hi Kelly, to update, the settlement was agreed late last night. The final agreed amount is £57.75m.

I will attach a copy of the statement that has been agreed between the parties - thanks

[11/12/2019, 09:41:24] Jess Tysoe: POL statement - 11 December 2019.docx document omitted

[11/12/2019, 10:12:50] Kelly Tolhurst: Well that's great news actually

[11/12/2019, 10:13:32] Kelly Tolhurst: When it actually going to be released ?

[11/12/2019, 10:26:22] Jess Tysoe: indeed! - it is meant to go public this morning, just chasing comms for confirmation

[11/12/2019, 10:32:07] Jess Tysoe: it is now public - the statement will be posted on the POL website shortly

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[16/12/2019, 10:57:59] Sam:

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Main things for you to

know today are:

- *Post Office Horizon Litigation judgement* will be handed down at 2pm today, it is expected to be critical of POL.

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[23/01/2020, 10:51:27] Jess Tysoe: Hi Kelly, I just wanted to make you aware of an interview bid on the Post Office Horizon case that has been declined, SpAds have also agreed should be a decline , let me know if you have any questions:

ISSUE

We have received an interview bid for SoS from BBC Radio 4's File on Four. The

programme due is to be broadcast at the beginning of February and will take an in-depth look at the Post Office Horizon case. They would ask:

- SoS' reaction to the High Court judgements
- What steps the government might now be considering to take
- Does SoS feel there was enough scrutiny, from successive governments, about what was happening at the Post Office
 - Are things going to change in the future
 - Is there likely to be a Public Inquiry into what happened
 - Is the Post Office going to continue to be able to hold its investigation and disciplinary procedures internally

Given the Post Office is government funded, and these litigation cases involved taxpayers' money, the BBC says it feels there are some legitimate questions for SoS to answer.

Any interview would be pre-recorded and the BBC can be flexible when it comes to location and timings. It would need to be by 5pm on Friday 31st January 2020 at the latest.

If SoS were unavailable and we wanted to offer another Minister, the BBC would consider the request.

RECOMMENDATION

We would recommend declining the interview bid and providing a written statement, below for sign off.

The interview would likely involve a lengthy (30 mins +) interview during which Ministers are likely to face challenging questions. These include issues on which we do not have strong answers, such as the need for a Public Inquiry and previous scrutiny of Post Office Limited (POL). We would also likely face questions on operational issues on which POL take the lead, such as internal disciplinary procedures.

It should also be noted that to date, references to government have not been prominent in reporting on this case. While there is likely to be further reporting in future with a focus on the cases of individual sub-postmasters, providing an interview to this programme may result in us inserting ourselves into the story unnecessarily. POL has indicated that it is unlikely to out someone up for interview, meaning government would be a lone voice in the debate.

Having spoken to POL, we also understand that the programme is likely to feature a number of individual cases which were subject to criminal prosecutions, which we would be unable to comment on.

LINE TO CLEAR

A Department for Business spokesperson said: "We are pleased that a comprehensive resolution to the litigation has been reached. The Post Office accepted that in the past it had got things wrong. It has apologised and is looking to reset its relationship with postmasters.

"The court judgements provided an exhaustive insight into what happened. We will

support the Post Office in becoming a modern and dynamic organisation.”
[23/01/2020, 11:28:17] Kelly Tolhurst: Yes fine - might be worth adding that POL
is now under the leadership of a new CEO ?

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