
From: James MPST
Sent: 07 March 2017 19:03
To: James MPST
Subject: Final Handover
Attachments: corporate-governance-reform-green-paper (factual error amended - 18 Janpdf; Summary record of Ministerial Corporate Responsibility Roundtable on 6 F....docx; Readout - Update on the Insolvency Service - Margot James and Sarah Albon; 2017 02 24 POL Funding Final Recommendation (DRAFT).docx; 2017 02 24 POL Funding Final Recommendation Annex Slides.pptx; 170223StevenageBriefMJ.DOCX; Madeleine Moon MP - Confederate flag.pdf; Outstanding PQs Table.xlsx; EITI Champion and Nexen submission September 2016.docx

Hi,

Below are the current live issues in the policy area. For an extended overview I would recommend arranging a time to meet with the relevant Deputy Directors in each area:

- Sanu De Lima – Deputy Director, Corporate Governance, Business Finance & Tax GRO
- Chris Carr – Deputy Director, Corporate Frameworks Accountability & Governance GRO
- Matthew Ray – Deputy Director, Leadership Diversity & Analysis GRO
- Tony Pedrotti – Deputy Director, Regional Growth Fund GRO
- Andrew Shore, Business Manager for the Chief Executive of the Insolvency Service – GRO
- Richard Callard – Deputy Director, Post Office Limited and GIB GRO
- Duncan Budd – Deputy Director, Postal Services GRO

Corporate Governance

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Corporate Responsibility

IRRELEVANT

IRRELEVANT

Company Law

IRRELEVANT

Beneficial Ownership

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Regional Growth Fund

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Insolvency

IRRELEVANT

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Post Office

The Post Office Limited (POL – people will generally refer to it as this) is dealt with by UKGI. They are a separate company to Royal Mail and do separate things – they provide the front of office service for post (in addition to a number of other things).

The main points of contact in UKGI are:

Richard Callard – Deputy Director, Post Office Limited and GIB

Michael Dollin – Assistant Director, Network Transformation (including Franchising) and Stakeholder Engagement

Laura Thompson – Assistant Director, Appointments and Remuneration, Horizon IT system

Adam Shortman – Comms, Competitive Markets and Responsible Business

Funding:

The current funding bid is in the process of being submitted to HMT. The budget runs for three years, starting 2018.

The current bid is higher than it has been in previous years. It is set into three parts:

- Network Subsidy – the Government committed to keeping open rural Post Offices if they were the ‘last shop in the village’. Therefore we provide subsidy, as many of them are loss making.
- Network Investment – This is to provide a fund to improve the infrastructure of the network. This includes IT Investment and Central costs.
- Commercial Loan Facility – POL may not necessarily use this, but want an additional fund available. HMG have imposed the rule that they cannot borrow money in the usual way companies do, but as this is such a large company they feel they should be able to access loan features.

This has been subject to a UKGI-commissioned KPMG report and is being finalised before it is approved by HMT. There was a hope it would be approved by the March budget, but it looks as if it will continue into the year – for Autumn Statement. However, it will need to be finalised as quickly as possible to ensure stability of the network. Angie Ridgwell, DG of Finance, sent a letter of comfort to the POL Board regarding their funding bid. The funding submission is attached.

Consultation:

Before Christmas UKGI carried out a Government Consultation to ask certain questions about the Post Office, what it could do better etc. UKGI are currently reviewing the replies and have provided some draft Government responses, which Margot currently has in her box. She felt the first draft was not accommodating enough of ideas given. We were hoping the Government response could be released in March. However, officials feel it would be best to release it along with the funding announcement. Margot has asked if the funding decision will delay releasing the response. Officials are meeting HMT this week, so should be able to provide a firmer update of the likelihood of further delays to the funding. This can be fed back to MJ with the original submission (left in the folder marked ‘useful subs’). Once we have finalised our response, Margot agreed to meet separately with Dave Ward, Communications Workers Union (CWU - POL Union) and Paula Vennells, CEO of POL to discuss the results.

Horizon:

This is the name of the computer system used in Post Offices. There is currently a group action at the High Court regarding issues that have led to dismissals and criminal convictions – they have been accused (and some proven in

court or even provided a guilty plea) of theft. A group of ex-subpostmasters believe they were sacked/convicted due to an issue with the system, rather than theft. The High Court agreed they could bring about a group action suit, and gave them 6 months (from the 26th Jan) to conclude applications of who could be included within the 'group'. It will be worth asking for an update from Laura Thompson in around June-time.

Strike Action:

The main Union, CWU, have held a number of strike days due to the franchising of certain Post Office branches. There are a small number of Crown Branches left (approx. 260) that are run by POL. The company have implemented a programme to franchise the Crowns – especially those that are loss making. This would mean they will move to be hosted in another shop (independent or something like a Spa or WH Smiths). This only affects a small number of employees and branches – 260 out of 11,600. It is also bringing these branches in line with the majority of the network, which is already in this format. The last strike was before Christmas, but if there are further announcements there is likely to be further Industrial Action. Margot has had a number of meetings/calls with Dave Ward (CWU) who says he wants to improve communications with POL, using Margot as a mediator. As this is an operational matter, we should not get involved, as POL are operationally independent. This means any media surrounding the issue should take the same stance. Margot has a good relationship with Dave Ward – they have exchanged text messages previously. However, she is still able to take a hard stance with him if she disagrees with him, or he asking something against the Government's position.

Scunthorpe Post Office Petition from Nic Dakin MP – due 8th April

We occasionally get petitions regarding Post Offices. This is a public petition, so the deadline is 2 months rather than 1 (which it would be if it was an e-petition). This will need to be approved by Margot before responding and the response date is within recess. I've asked for a draft by Wednesday 22nd March.

Morningside Post Office:

We have been receiving a number of emails regarding Morningside PO in a campaign to keep it open. This site has been included in the recent tranche of branches to be franchised. Margot has cleared a standardised set of lines – these will be sent as 'Treat Officials' (TO) as letters from members of the public do not get a Ministerial response. Any letters we receive from MPs will require a Ministerial response.

Postal Affairs

This includes all Postal Policy, Royal Mail (RM) and other delivery firms. This is separate to the Post Office – in a nutshell, RM do the logistical delivery service and the Post Office are the shop front. They are no longer one company (following the Postal Services Act) but are still heavily connected.

Key Contacts:

Duncan Budd – Deputy Director, Postal Services GRO

Linda Stephens – Assistant Director, Postal Services GRO

Al Clifton – Comms GRO

Tim Jarvis – Director, Consumer and Competition Policy Directorate GRO

Post Implementation Review of the Postal Services Act:

When the Postal Services Act came into force it included a clause to say there would be a review within a reasonable amount of time after 5 years. We have carried out the review, and our response is currently out to Write Round. Once we have agreement to this we can release the report. In the meantime, Ofcom also did a review and released their report. This was generally positive, so there was no media attention around it.

Tri-lateral relationship – Royal Mail and Ofcom

During our meeting with Sharon White (CEO Ofcom) she agreed to tri-lateral meetings between BEIS, Ofcom and RM to ensure RM aren't overburdened as the Universal Service Provider. However, Ofcom have since confirmed they will not field Sharon for any Tri-laterals. She currently has a number of other pieces of work on that require her attention (and feels she has put a lot into post recently). Ofcom are content for the Tri-laterals to be a 'talking shop', but if it looks like it will become decision making they will walk away, as they should be operationally independent.

Duncan Budd feels it is already more than a talking shop as he expects any meetings to deliver progress. However, they will attempt to reduce the pressure from RM to get direct results in order to keep Ofcom at the table.

SIs – Negative

There are some SIs to sign (no debate) – expected later in March. No action required at this point, but just to be aware to look out for. (Official dealing is Michael Maynard - [GRO]).

Stamps submission

Any stamps released by RM require Royal Ascent. Margot clears the stamps and signs a letter to the Chief Clerk to The Queen. This then gets sent to the Palace (put in an envelope with the stamps, address on the front). The submission it comes with will explain what to do – call the Distribution Centre at Cabinet Office who will collect from our Post Room on LG. We currently have a set of stamps with the Palace (sent 3rd March). Once the stamps have been cleared by The Queen the Chief Clerk will respond to approve them. This letter should be forwarded to the official (Michael Maynard - [GRO]).

Scam Mail

In October 2016 the Daily Mail ran a news story exposing practices by fraudulent companies sending scam letters asking for people to send them money (for various reasons). This highlighted postal service operators did not do enough to prevent this from happening. Margot hosted a roundtable with the main players (RM, Whistl, UK Mail, Ofcom, National Trading Standards, Medicines and Healthcare products Regulatory Agency, Citizens Advice and Home Office). They agreed to work together to prevent Scam Mail where possible. It is a difficult area as the Regulation of Investigatory Powers Act states you are not allowed to open mail with reasonable suspicion. The postal operators have agreed a Code of Conduct to agree to reduce illegal scam mail. We are also reviewing what support we can provide from a legal perspective, but this appears limited at this point and would require changes to legislation. National Trading Standards are compiling a report which is expected in April/May. Margot has agreed to another stakeholder roundtable after this to reconvene and take stock. This will be a good time as it will be about 6 months after the first meeting.

Misc

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Parliamentary Questions (PQs)

- Each day PQ answers come to us from Parly. You print the answer and put in the Green Folder in my draw (that has PQ on it) and pass to Sahar to give to Margot.
- Normally she will do a few at a time (unless they are urgent). Margot understands the importance of PQs, so will generally be happy to review them as a priority.

- Once you have done this, move the email into the 'With Minister' folder. Once MJ has signed, move it into the 'With SpAds' folder.
- Once they have confirmed it is cleared via email, you can then respond to the whole chain (off the back of the SpAds email) to confirm MJ is content. All PQs should be run by SpAds first. If one is going to go overdue, speak to SpAds office about getting it signed asap. If it is very close to the deadline we can clear without SpAds, but only if it is non-controversial.
- You can then delete all the copies of the email, except the sent item showing you have cleared. This gets put in the 'Cleared' folder. The paper version can be put in confidential waste.
- Each day there will be an email entitled 'Outstanding'. If you copy this into an excel doc you can filter to see which are Margot's. They will be dated in the excel doc, so you can keep track of them.

Occasionally Margot will ask a follow up question regarding a PQ, although mostly she will still be happy for the PQ to be submitted. You will need to commission the answer from the chain on the PQ. Also copy in the James inbox, so you can let the lead PS know what has been commissioned and they can see the response. This can then be 'box-noted' and put in the box (with a copy of the original PQ). One is currently outstanding, with a response expected on 13th March – PQW2017/05867.

Thanks! It's been a blast!
James



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

James Richardson

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GRO

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Please note, our boxes close at 12pm on Monday and Wednesdays