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Witness Name: Sarfaraz Gulam Ismail

Statement No.: WITN11170100

Dated: 4 September 2024

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF SARFARAZ GULAM ISMAIL

I, Sarfaraz Gulam Ismail will say as follows:

INTRODUCTION

1. Since my appointment on 3 June 2021, I have been a non-executive director ("**NED**") of Post Office Limited (company number: 02154540) ("**POL**"). I am known as Saf Ismail rather than my full name of Sarfaraz Ismail.

2. This witness statement is made to assist the Post Office Horizon IT Inquiry (the "**Inquiry**") with the matters set out in the Rule 9 Request to me dated 3 June 2024 (the "**Request**").

3. I have been asked by the Request to respond to 11 questions which I address in turn.

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4. I will refer throughout this witness statement to postmasters as "**PMs**" and subpostmasters as "**SPMs**" My experience has been that that relationship between POL and PMs and SPMs and its approach to them is the same. I refer to PMs throughout this statement, but those references can be read as references to both PMs and SPMs.

5. Since receiving the Request I have made a number of requests for disclosure of documentation to POL to assist me in the preparation of this witness statement. Where disclosure has been received that is relevant to my evidence I have exhibited those documents to my witness statement. I have been advised by POL that as a general rule POL has only been providing material to witnesses that they saw or had access to contemporaneously. Despite my position as a non-executive director of POL, in response to my requests I have not been provided with any documentation by POL that I did not see or have access to contemporaneously. As such, some of the themes in my evidence are not as fully developed as they otherwise might have been.

6. My aim for this witness statement is to provide assistance to the Inquiry on the biggest miscarriage of justice in British history. I would also like to ensure PMs of the past present and the future and the Government are aware of how POL operates and its practises.

Professional Background

1. Please summarise your educational and professional qualifications.

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7. I have four A-levels and I attended the university of Salford and attained a 2:1 in Business Economics.

2. Please summarise your career background and your appointment to the POL board (including relevant dates). You may be assisted by UKGI00017911.

8. I was initially employed in the customer service Management team of Homeserve, Preston until June 2007 and then became employed as the Finance Manager of the recruitment agency, Service Care Solutions, until 2010. I was responsible for budgeting and forecasting along with ensuring our team paid contractors. I prepared monthly cash flow forecasts and consulted with banks and other public institutions like NHS trust and multiple charities. Dealing with multiple complex private and public stakeholders was the daily norm. I have also worked in Africa in various roles.

9. My involvement with the POL started in January 2010 with my first branch on Plungington Road, Preston. I was trained to use the first version of Horizon and, throughout my time running this branch, I transferred over to the current version of Horizon. I worked on the counters of this branch for six days a week getting to understand the community, the complexities of running a Post Office and the complexities of POL as an entity. During my time at this branch, I was in a position where my branch sales were not high enough to warrant support from POL. Whilst POL suggested that they were unable to help, an area manager called David Atkins, who is still employed by POL, went out of his way to help me by offering to give me extra support.

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10. Since January 2010 I have acquired a number of other Post Office branches and, currently, I oversee 7 branches and a banking hub. I have also bought, improved and sold Post Office branches during this time. Each time I take on a new branch I ensure that I work at its counter to understand what improvements can be made and to ensure that the local communities can see who the PM is. I still work on the counter weekly, and I vary that from branch to branch. It is important to me to ensure that my team see me on the frontline leading the way and that I make myself available to them for any issues they may need to raise. Ultimately, my teams understand that they do not need to go through layers of hierarchy to raise any issues that they may have. My ongoing frontline involvement is crucial to my role as a NED on the POL board as it ensures I have a solid understanding of the day-to-day issues facing most PMs such as declining Post Office branch profitability along with ever-evolving consumer trends.

11. My oversight of Post Office branches includes the management and development of staffing teams, ensuring regulatory compliance, implementation of growth strategies and financial management, and an in-depth understanding of PM economics and the evolving retail environment.

12. I have over 15 years of experience acting as a company director. I am currently the director of ten limited companies (excluding my non-executive directorship of POL) operating within the Post Office, property and retail industries. I also have extensive knowledge and experience of managing a diverse property portfolio.

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13. I have a keen sense of community and equality, which motivates me to actively participate in community activities such as supporting, campaigning, and working with high profile politicians, and a post on the board of a non-profit organisation.

14. I consistently reinvest my time and money into the Post Office, and I am respected and consulted by my fellow PMs. When the opportunity arose to apply for a NED post in POL I was encouraged by others, and I applied.

15. When standing for election to the PM NED post I stood on a platform of addressing the following key issues face by PMs and POL:

    15.1.1 Pay rates; and

    15.1.2 Communication, IT and support; and

    15.1.3 Simplification and generating new business; and

    15.1.4 PM development; and

    15.1.5 PM mental health and holiday cover; and

    15.1.6 PMs' vision for POL.

    My election candidacy promotional material is at **[POL00448366].**

16. Following the whittling down of the candidates by POL to a shortlist of six nominees I was successful in being appointed to a PM NED post following a vote of PMs together with my fellow non-executive director, Elliot Jacobs.

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17. I was appointed as a NED of POL on 3 June 2021. A copy of form AP01(ef) confirming my appointment which was filed with Companies House on 4 June 2021 is exhibited to this witness statement **[POL00448409].**

18. I also serve on the board of a charity, PMF, which provides free services to people with lower incomes. I am a member of the funding committee, and its digital and HR committees too. PMF has been one the most fulfilling projects I been involved with as it helps the local community upskill by providing training and language classes, especially during the Covid-19 pandemic, when I also delivered food packages to the elderly and distributed free masks and sanitizers to the vulnerable.

19. My role as a NED in POL has given me experience in developing and implementing strategy for the POL's role as a modern franchise with a strong social purpose working in partnership with its PMs and other stakeholders. I use my background as an operator of POL branches and my desire to influence the culture of POL to promote the interests and wellbeing of its PMs. I have attended all PM events that I am invited to attend and I co-ordinate with all aspects of the POL business to advocate for a well needed PM-centric approach.

20. I consider that one of my strengths on the POL board has been that my approach is not institutionalised or constrained by years of service within a single organisation. I can offer fresh perspectives. In my current role as NED, I would prefer to focus my efforts on the future of POL, but I fully understand the critical importance of:

    20.1 the matters relating to the wrongful prosecutions of SPMs; and

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20.2 the need for this to be fully investigated, and

20.3 the urgent redress required to those wrongfully prosecuted; and

20.4 and for us all to understand and learn from the lessons of the past.

21. As a NED I have attended all POL board meetings, public inquiries and Government briefings. I have also attended POL board sub-committee meetings as requested. I manage relationships with the Government shareholder and other stakeholders, and I have responsibility to participate in strategic business reviews.

22. Being a NED on the POL board is a highly time-consuming exercise. I would estimate on average spending ten days a month with board issues. The criteria initially advertised was two days a month.

23. As a NED, I also have a role in POL's in-house development of New Branch IT ("**NBIT**") and the wider Strategic Platform Modernisation Programme ("**SPMP**"). The internal NBIT team provides demonstrations to the board; the board are given the opportunity to provide feedback and are asked to approve budgets for the new systems. I have been able to provide meaningful feedback from a PMs perspective, including highlighting the importance of the NBIT including customer facing screens and a retail button to allow a smoother customer journey to purchase items, such as envelopes, when sending mail. This was raised by me at the board meeting on 9 March 2023 **[POL00448789].**

24. I also serve as a member of the POL Nominations Committee. I participate in interviewing new NED candidates and, as such, I am sometimes privy to the

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succession planning process relating to the General Executive ("**GE**") and board. I was involved in the recruitment of the last three externally appointed NEDs: Andrew Darfoor, Simon Jeffreys and Amanda Burton.

25. I serve as a POL board member for equality, diversity and inclusion ("**ED&I**") although. since my appointment as NED. I have only been invited to one ED&I meeting which took place by Teams on 3 March 2022.

26. I have been asked when responding to the Request specifically to consider a document with Inquiry reference UKGI00017911. This document is a POL internal document from 13 April 2021 regarding recruitment of a NED with a legal background to chair a board committee with oversight of the management of the compensation scheme post settlement of the GLO. This is not a document which appears to relate to me and it pre-dates my time on the POL board.

3. Please summarise your understanding of and experience with the Horizon IT system.

27. When I acquired my first Post Office branch in January 2010, I used the old horizon system for approximately two to three years after which I was migrated over to the new system with limited training.

28. I now operate multiple Post Office branches. I have experience of using the Horizon IT system in each branch and I continue to use it at the time of making this witness statement.

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29. During my time operating Post Office branches, I have experienced shortfalls in those branches, and I have submitted to POL a compensation claim in relation to these which is yet to be resolved.

30. Over the course of my experience using the Horizon, I have experienced issues and areas where it could be improved and so have many other PMs, some of whom have contacted me to escalate their issues. For example, on 5 July 2022 I raised with POL Head of IT, Jeff Smyth, and POL contractor, Zdravko Mladenov, that a printer at one branch had been out of service for two weeks and that a machine at one of the Outreach branches had been out of service for ten weeks **[POL00448791].**

31. As a general observation, Horizon does not appear to have been designed with an appreciation of requirements of the day to day running of a Post Office and the logistical challenges faced by PMs. Whilst I used the previous Horizon system for a short period, I have concentrated below on the issues that I have faced with the current system:

    31.1 Horizon suffers from a lack of integration with other systems that may be used to improve the customer experience. For example, unlike other suppliers, POL do not use a mobile application compatible with Horizon to provide receipts or to allow customers to track their parcels. The system also does not allow the provision of email receipts. The Drop and Go system also does not integrate with sales websites, such as eBay and Etsy, making the process for SME's sending large quantities of parcels more difficult.

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31.2 The Horizon transaction processes are unnecessarily complex when compared with other providers. On Horizon, there are approximately six screens to work through when arranging for a parcel to be sent, many of which are not necessary or could be streamlined.

31.3 The Horizon system is not designed to cater for human error. If an incorrect button is pressed, for example withdraw as opposed to deposit, it is not possible to reverse this, even if the error is noticed immediately. There is also no means by which a comment can be manually added to highlight the error.

31.4 The daily and weekly reports prepared by Horizon are not easy to analyse. The system produces a paper document, similar to a receipt, detailing all of the transactions. Limited information can be obtained from this, and it is difficult to use the reports to analyse how well the branch is performing.

31.5 There are often issues with Horizon incorrectly reporting the sum of foreign currency being held in a branch. I have experience of holding a certain sum of cash in a foreign currency, and on the following day Horizon recording that a lesser sum was being held, despite no transactions in respect of that currency having taken place. There would be and could be no reason for the discrepancy. In such situations, we would be required to contact the Horizon helpline to query the issue.

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31.6 I have experienced issues with Horizon failing to recognise the reversal of transactions. For example, towards the end of 2023 a customer wished to complete a Western Union transfer and then later wished to cancel the transaction. We actioned the cancellation in branch, but Horizon was unable to record that the reversal had taken place. POL were able to rectify the issue although it was very time consuming.

31.7 I have experience of Horizon taking payments from a customer twice at my Bolton branch. The records on Horizon indicated that the payment had only been taken once, however the customer was able to demonstrate that it had been taken twice. The helpline was alerted to this issue; however, they were unable to rectify the Horizon system records. I escalated the matter to Ross Pilgrim, who is the second Technical Support Lead for branch hardware, and he was able to resolve the issue **[POL00448790].**

31.8 I have experienced Horizon incorrectly recording ATM transactions. For example, in my Hindley branch I recall that in 2016 the balances on the ATM stock unit dropped by approximately £4,000 to £5,000 without a root cause being identified. As a result, POL took the shortfall from my remuneration unilaterally without me having any recourse.

Experience on Post Office Limited (POL) Board

4. Prior to, or on being appointed to the POL board, did you receive any training relevant to the role? If so, please summarise the nature of this training.

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32. When I first became a NED, I recall that individuals from within various teams, such as finance and human resources, provided me with an introductory overview of the work that their teams conducted, and I attended an Institute of Directors training session regarding the duties and compliance obligations of directors. This was very helpful.

33. There was a non-executive director induction session on 15 September 2021 around two months after my appointment to that role. I exhibit at **POL00448368** a copy of the UKGI NED induction slide pack provided to me in advance of that session. I found this session useful.

34. POL allocated a buddy, Zarin Patel, to me when I first became a NED. She was very helpful.

35. Throughout my time as a NED, I have had a very limited number of one-to-one meetings with senior leaders in which I could be provided with more practical training. I did meet with POL's Retail Director, Martin Roberts, and the Retail and Franchise Network Director, Amanda Jones, however only on an ad hoc basis.

36. I attach to this statement a copy of the board training record for the financial year 2023/2024 **[POL00448650].** Whilst I requested details of my full training logs from POL following my receipt of the Request. I have been advised that POL is unable to locate the central log of training sessions delivered to the board in the years prior to 2023/24.

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37. As set out in the training record, guidance notes were uploaded to POL's internal platform, Diligent. Diligent is the software POL uses to provide board decks to directors and I attended a training session on how to use it.

38. On 23 September 2023 I attended also a training session presented by Linklaters concerning directors duties and wrongful trading and I found this useful.

39. On 29 January 2024 I attended a training session presented by Deloitte focussing upon corporate governance, cyber awareness and cyber risk. This was also useful, and it gave me insights into the risk.

40. I cannot recall specifically which of the training sessions I have attended were voluntary and which were mandatory. If I was available, I have tried to make time to attend all training sessions offered to me.

41. One of the common themes throughout the training was guidance on how to work effectively as a NED. During the training sessions we were encouraged to speak up and raise issues to promote the effective running of POL. In my view however, whilst training was provided, it was not practically implemented at board level.

42. When appointed to the POL board I did not want to just tick boxes but to work to deliver my manifesto commitments to my colleague PMs. But for my experience running other organisations and my background I do not consider that the training I received would have empowered most PMs to properly scrutinise and fulfil the duties of a NED. It was

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only because of my background in the wider business sector that I was able to scrutinise and contribute towards board discussions in a more meaningful way.

5. What briefings, if any, did you receive on the issues addressed by the Inquiry, such as the Horizon IT system, the prosecution of subpostmasters and the Group Litigation Order (GLO) on joining the POL board? If you received such briefings, please reflect on their quality.

43. On joining the POL board, I received minimal and cursory information regarding the ongoing issues POL has been dealing with. For example, my UKGI NED PowerPoint induction slide deck, included only a one page regarding the Post Office Horizon IT Inquiry, Historic Litigation Issues, and the Historical Shortfall Scheme and Convicted Postmasters **[POL00448401].** There was little detail. I attended a UKGI NED induction session which again only provided a high-level overview.

6. Please describe the culture at board level, identifying any relevant individuals.

44. The POL board is unique. The majority of the board members are NEDs and many of them also have other NED roles. A key factor on this board is that the Government is the sole shareholder or, more specifically, the Secretary of State for Business, Department for Business and Trade ("**DBT**"). This results in many approvals having to go through Government limiting the powers and effectiveness of the board.

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Composition of the Board

45. In addition to me, there are currently 10 members of the POL board of directors being myself and Amanda Burton - Remuneration Chair (appointed 27 April 2023), Andrew Darfoor – NED (appointed 20 June 2023), Brian Gaunt - NED (appointed 25 January 2022), Lorna Gratton – UKGI Representative (appointed 12 May 2023), Elliot Jacobs – PM NED (appointed 3 June 2021), Simon Jeffreys - Audit Chair (appointed 23 March 2023), Nigel Railton - Chair (appointed 24 May 2024), Nicholas Read – CEO (appointed 16 September 2019). Rachel Scarrabelotti is the Company Secretary having been appointed to that role on 12 April 2022. Benjamin Tidswell, Senior Independent Director ("**SID**") (appointed 27 July 2021) resigned on 9 July 2024.

46. There are 5 subcommittees of the POL board which are:

46.1 The Audit, Risk and Compliance Committee which considers POL's financial reporting, including accounting policies and internal financial controls. I do not sit on this committee.

46.2 The Nominations Committee which recommends to the board any changes in board membership and manages the process for recruiting and replacing directors. I sit on this committee.

46.3 The Remuneration Committee ("**RemCo**") which makes recommendations to POL's shareholder (DBT) for remuneration of executive directors and review

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the remuneration policy and packages of the most senior leadership team who report directly to the CEO. I do not sit on this committee.

46.4 The Remediation Committee which oversees the administration of the Horizon Shortfall Scheme ("**HSS**"). This committee considers the principles that underpin how HSS claims are assessed for the consideration of the HSS Independent Advisory Panel ("**IAP**") and considers claim outcomes recommended by the IAP (including those recommending offers of financial compensation) and makes recommendations to the POL board about decisions on precedent setting matters. I do not sit on this committee.

46.5 The Investment Committee which is intended to provide oversight of POL's investment or change activity under its plans and to review spend and performance in relation to change projects, to ensure value for money and affordability as well as alignment with POL's strategic priorities. I do not sit on this committee but have attended meetings when invited.

47. Since my appointment as a NED of POL on 3 June 2021 there have been a number of resignations from the POL board including:

47.1 Kenneth McCall – NED (resigned 26 January 2022); and

47.2 Zarin Patel – NED (a director from 26 November 2019 to 13 March 2023); and

47.3 Thomas Cooper – UKGI Representative (resigned 11 May 2023); and

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47.4 Lisa Harrington – Remuneration Chair (director from 8 April 2020 to 1 June 2023); and

47.5 Carla Stent – Audit Chair (director from 21 January 2016 to 17 February 2023); and

47.6 Tom Parker – Chair (director from 1 October 2015 to 30 September 2022); and

47.7 Henry Staunton – Chair (resigned 27 January 2024); and

47.8 Alisdair Cameron was also the Chief Financial Officer until his resignation on 24 June 2024; and

47.9 Benjamin Tidswell - Senior Independent Director ("**SID**") (resigned on 9 July 2024).

I wanted to be sighted on exit interviews, to assist me in complying with my duties as NED and for good governance and to understand how POL may improve but I was denied access to this by the chair at the time. I am aware that exit interviews have been conducted for some of these individuals, I believe by EY. I am not privy to the contents of those exit interviews or any steps which may have been taken in reaction to the interviews. The Inquiry may wish to seek from POL such documents relating to the above-named individuals.

48. Whilst most NED Board level roles have been subject to a rigorous and clear recruitment process, the process for selecting and recruiting the UKGI NED was not clear (or at least not made clear to me).

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49. There are only 2 executive members on the POL board with the remaining 8 directors being NEDs. This creates difficulties as the NEDs are unable to affect any real change. The NEDs provide feedback and recommendations during the board meetings. As only two executive members sit on the board, this feedback and recommendations do not appear to be adequately fed back to the wider executive. My view is that the board and the executive would operate more effectively if a greater number of the executive sat on the board, even if only temporarily. For example, POL is currently the subject of well-publicised criticism about its culture, yet the Chief People Officer ("**CPO**") does not sit on the board and therefore does not receive the feedback necessary to implement positive change. There is limited interaction between the POL Board and the executive and POL would benefit from improving this connection. I can only recall a few meetings between the board and the executive in the last three years.

50. In my experience, it is very difficult for PM NEDs to make any meaningful change. During my role as PM NED, I have raised a number of concerns regarding the running of POL over issues which have resulted in a negative image for POL. In particular issues such as the way in which POL has responded to the Inquiry to date, poor progress on PM redress, issues relating to the ongoing disconnect between POL's senior leadership team with PMs, unsatisfactory leadership behaviours, lack of spending controls (particularly IT spends) and insufficient progress regarding cultural change in POL in response to the Horizon IT scandal. Many of my pledges to PMs prior to being elected to the POL board are still outstanding which shows the difficulty in making quick progress within POL and the insufficient weight given to the agendas of elected PM NEDs.

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Wider executive and board culture

51. Upon being elected, in Summer 2021, I took it upon myself to visit PM branches to get PM feedback. One of my first visits was to Bradford to meet PMs I had met during my PM NED election campaign. During my discussion with the PM from Wibsey Bank, I was asked: "p*lease tell the board we are not animals, we are human beings so please treat us PMs fairly"*. I have mentioned this quote on numerous occasions in board meetings to ensure NEDS and senior executives understood the sentiments of some PMs, but I do not feel the point has been fully appreciated.

52. From my tenure as a NED on the POL board I have observed that the board defers to the wider POL executive in the running of the POL business. Costs under £5 million are authorised by the senior executive with limited visibility by the board. Any costs / investments above £5 million require board approval and senior executives present these propositions to the board as a formality. I feel this has created a perception within the POL executive that the POL board is a cash machine to authorise their £5 million plus spend

53. My experience is that the board have a limited level of operational understanding required to challenge the executive as board members do not have front-line Post Office experience and, as such, they do not fully appreciate the complexities and challenges PMs face. The only individuals with any operational nous or understanding of PM economics are myself and Mr Jacobs.

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54. The board wants to do more but due to constraints imposed by the relationship with the Government and political messaging, it is restricted. This then leads to acquiesce and a laissez-faire approach. I feel directors should show more professional challenge when encountering resistance from Government. For example, the former chair, Henry Staunton, relayed to the POL POL board that he had been asked by a government minister, to apply a sticking plaster approach to see POL through to the next general election. Mr Staunton has subsequently given an interview which was published in the Sunday Times repeating that story.

55. The board and wider executive do not have systems or culture in place to ensure continuity of corporate memory. As a result, Mr Jacobs and I suggested 2 new postmaster NEDs with an 18-month hand over period before myself and Mr Jacobs retired from the POL board. This proposal was rejected by both the board and the wider executive. I feel this is due to the board and wider executive maybe being uncomfortable with the scrutiny provided by operationally savvy NEDs.

56. I also feel the board is too deferential to the executive. When the board does give recommendations to the wider executive, there are times when these recommendations are not implemented, and no responses are received as to why. For example, board members have made recommendations in respect of recruitment of particular individuals and the wider executive has chosen to recruit different individuals without explanation.

57. It appears to me that there is an ongoing issue with the POL board not fully understanding the operational dynamics of POL branches. This lack of understanding

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has led to the board making business critical decisions that are not as effective as they should be. Some decisions have been wasteful of public money. For example, the decision to purchase hardware for the new IT systems. The board and wider executive decided to spend around £30 million on hardware, which is currently sitting in storage. However, the average lifespan of hardware is five years, and by the time the new system goes live, the purchased hardware may already be obsolete. The wider executive recommended this purchase to the board by claiming that "*we are getting a fantastic deal*" or words to that effect. The board was required to approve this purchase, as with any purchase over £5 million. However, the executive failed to provide comprehensive information regarding the progress towards implementation of the new Horizon system when presenting the decision to the board for approval. At the July 2024 board meeting, it was disclosed that there are still a substantial number of bugs to be fixed on the new system and the safety and security aspects of the system still need development.

58. There are certain business critical items where the board is asked by the executive to approve expenditure where the board is not provided with the information it requires from the executive to make informed decisions. Senior teams are created within POL to manage key activities or projects, for example the outdated IT hardware with tablets, the NBIT project generally or the costs of IR35 liabilities to POL, however, the board is not regularly updated with feedback about the progress and effectiveness of these activities and projects. This lack of respect and governance does not seem to have improved during my time on the POL board

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59. I have observed that there is a London-centric culture and mindset among the board and senior executives. This perpetuates a lack of understanding of the different challenges facing PMs nationwide, for example, PMs in remote rural locations. As far as I am aware, only two board members, Brian Gaunt and I, are located outside of Greater London.

60. There has been criticism internally within POL over the lack of diversity when recruiting new staff. I am aware of this as a member of the recruitment panel and throughout the process for interviewing new NEDs this was a point raised on several occasions by Henry Staunton (the previous Chair) and Jane Davies (the former CPO) and myself. Other board members raised this concern too, that the wider executive had very little diversity in gender (Jane Davies was the only female) and race (there was minimal representation from ethnic minorities). Their view and mine was that POL needed to address this urgently and be reflective of the PM population. My considered view prior to joining the board (and even more so now) is that the organisation should be reflective of the people it represents in terms of race, background and geographical location.

61. A recent example on the issue of PM representation concerns the postmaster engagement team. That team organised three PM listening events, two in London and one in Leeds which were attended voluntarily by PMs from across the country. However, the wider executive did not adequately consider the time and cost implications for some PMs to attend from further afield. They often cannot devote a whole day to travel to attend. Additionally, the initially proposed scheduling of the events during the month of Ramadan showed a cultural disconnect within the

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executive team. After I raised this issue, the deputy CEO (Owen Woodley) rightly postponed the events until after the fasting period, showing a positive response to the concerns raised.

62. As the board lead for ED&I, I have raised concerns several times at board meetings about the lack of diversity across all levels within the organization. I have also mentioned that colleagues from various ethnic backgrounds feel that their opportunities for advancement are limited to certain levels and this issue was highlighted in the strategy presentation that was shared with the board on 9 July 2024.

63. Due to its own lack of diversity, POL has failed to understand the cultural and religious calendars of the makeup of PMs who are from diverse cultures and backgrounds. For example, POL does not make reasonable allowances in the ways PMs are allowed to run their businesses and their branches and attend to the necessities of life, such as weddings or funerals. I have spoken to several PMs who have had to miss close family occasions to operate their Post Offices. There is no meaningful support mechanism for PMs to be able to obtain cover in order to keep their branches running. POL has shown very little interest in help setting up a network for this to help to provide PMs with a work/life balance. An example of this would be a PM colleague of mine, who operated a Preston town centre post office. They died in 2018 at the age of 43 after being diagnosed with cancer. Throughout the period of his illness and after his death POL provided no support whatsoever to him or his family or to his colleagues within branch. This highlights to me a fundamental disconnect between POL employees and PMs. Also, in June 2023, I became aware of the wife of a PM in Hampshire whose husband passed away suddenly aged around 50. Within ten days of the PMs passing

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his contract was cancelled without consulting his wife, and her remuneration was adjusted in a way that she was struggling to understand. Feeling like she had nowhere to turn she contacted the Voice of the Postmaster ("**VOP**") who, in turn, contacted me. Fortunately, we managed to find a solution for her. I mention these two stories so show how PMs can be treated by POL. Both affected families were from BAME backgrounds and POL was not equipped, from a cultural perspective, to help these families and instead unwittingly made their lives more difficult at very trying times for them.

64. In 2023, the events of the Inquiry brought to light the existence of a POL form which included identity codes describing a person's racial origin, including outdated and offensive terms. I believe this document was identified in response to a Freedom of Information Act request. Via its General Counsel, Ben Foat, POL commissioned an external investigation of these events in June 2023 from Jermey Scott -Joynt of Outer Temple Chambers. That investigation was named Project May. The final investigation report is at **[POL00448386].** The report concluded that the form was plainly inappropriate but historic. It has subsequently been redrafted. I was not previously aware of this document until its discovery was publicised. The POL Corporate Affairs Director, Richard Taylor sent an email to the POL board dated 15 July 2023 which referenced a Sunday Times article commenting on the discovery of this form **[POL00448380].** By that time, I was, however, responding to other issues of racism in POL in my capacity as the POL board member for ED&I. There had been an article in Computer Weekly dated 7 March 2023 with the title: "*IT worker evidence reveals a toxic Post Office IT helpdesk that discriminated against subpostmasters*" **[POL00448404].** In response to that article I had email correspondence with the then

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CPO, Jane Davies, and the then SID, Ben Tidswell, in May 2023 expressing my deep concerns, firstly, that these issues had been identified within POL and, secondly, that the matter had only been brought to my attention by a PM and not by anyone within POL **[POL00448378].**

POL contractor remuneration

65. It is my considered opinion that the POL processes for determination of remuneration are not sufficiently independent and rigorous or consistently applied. My understanding of the shareholder remuneration approval process is that RemCo makes recommendations to the POL shareholder who then respond to RemCo and RemCo then bring shareholder approved recommendations to the board for its approval.

66. POL currently has a significant IR35 liability which is not good management in my opinion, and I have not seen enough action by the executive to reduce this risk. I do not believe there is sufficient oversight of IR35 risk or rigour in the costs. Despite this, executive bonuses have continually been paid by reference to targets which are not linked to good governance. It is not unknown for permanent employees operating within POL to leave and then be quickly re-engaged as external IR35 contractors at a significantly higher cost to POL. This gives rise to concerns over IR35 income tax and national insurance liabilities having to be paid by POL. My understanding of current POL policy is to prohibit redundant employees from returning to POL within 2 years.

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67. In a recent report prepared by the Audit, Risk and Compliance Committee dated 1 July 2024 it was confirmed that a revised contractor engagement policy had been written. This gave rise to estimated costs of up to £5 million per annum driven by the potential rate increases of converting contractors to operating within IR35. It has been suggested that this potential increase is necessary to remove the existing financial exposure that is continuing to accrue under the current contractor engagement policy **[POL00448786].** I have raised my concerns about IR35 liabilities on multiple occasions in various meetings.

RemCo and Bonus Culture

68. As I have mentioned above, POL has a remuneration committee that I will refer to as RemCo. This is a subcommittee independent of POL Board. Amanda Burton is the RemCo Chair and Nick Read (CEO), Nigel Railton (Chair), Brian Gaunt (NED), Lorna Gratton (UKGI Representative) and, until recently, Ben Tidswell (SID). RemCo recommends director and ` executive remuneration and bonuses to DBT (including for those directors that sit on RemCo) and determines the short-term incentive programme ("**STIP**") and a long-term incentive programme ("**LTIP**") for POL employees. I will explain my views on STIP and LTIP later in my evidence in the context of the board's relationship with and approach towards SPMs.

69. RemCo is one of the POL sub-committees that has no PM NED oversight. Neither I nor Mr Jacobs are members of this committee and have never been invited to observe its meetings. I was told by the former Chair, Henry Staunton, and the former CPO, Jane Davies, that senior POL executives advised them that the PM NEDs should not

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be made aware of the levels of remuneration and bonuses received by senior POL staff.

70. Unfortunately, it is common practice for POL staff to mark their own work, leading to inflated performance metrics and an environment driven by financial self-interest. By this I mean that individuals can have responsibility for assessing their own performance. For example, Area Managers ("**AMs**") assess their own relationship with PMs that leave POL and not the other way around.

71. My considered opinion is that senior leaders within POL are obsessed with their remuneration. I have seen an unhealthy and unjustified obsession with bonuses and remuneration within POL. My understanding is that the majority, if not all, individuals within POL receive an annual bonus on top of their inflationary increases in salary. On 17 July 2024 I requested further information regarding executive pay and the packages of leavers so that I could consider how this compared to increases in PM pay **[POL00448607]**. After various exchanges, on 5 August 2024, the Chair of RemCo, Amanda Burton, confirmed to me by email that many senior officials were offered bespoke deals, which included annual bonuses and company benefits **[POL00448606]**. PMs, on the other hand, have not had real terms pay increase since 2015 (allowing for the effect of inflation and their increased overhead costs) and they have not received bonuses either.

72. PMs have also had pay rates cut on numerous occasions to meet corporate cost challenges with total disregard of their costs, profitability and customer service requirements. There is not equality of treatment of POL employees and PMs. On the

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other hand, there have been several occasions in which senior executives have expressed to the board that morale is low because bonuses have been delayed. Senior leadership always receive a bonus despite processes not being followed and poor governance.

73. There is evidence of pay decisions at executive level not following required processes., For example CEO bonuses received for the 2021-22 financial year were taken unilaterally only for them to be reimbursed once identified. This was the subject matter of evidence that the CEO, Mr Read, gave to the DBT Select Committee on 20 June 2023. It was widely reported in May 2023 that Mr Read received a bonus for 2021/22 in the region of £455,000 against bonus criteria which required POL to have fully cooperated with this Inquiry and received confirmation of this from the Chairman of this Inquiry, Sir Wyn Williams, prior to payment. The 2021/22 Post Office Annual Report suggested that Sir Wyn Williams had signed off the Inquiry metric relating to an element of Mr Read's bonus but that was not the case. I understand Mr Read returned the element of his bonus linked to the Inquiry and POL published a clarification of its Annual Report and accounts and an apology to Sir Wyn Williams on its website **[POL00448402].**

74. I was briefed by the former CPO, Jane Davies, whom I thought was very professional and ethical, that a number of collateral bonus arrangements have been agreed for POL executives in addition to annual bonus arrangements. In early 2023, I received several verbal briefings from the then CPO, Jane Davies, regarding her ongoing concerns about the executive and POL employees' bonus culture and lack of performance management. Ms Davies told me that General Council (Ben Foat)

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received several pay increases and collateral bonuses and, that one part-time executive, Angela Williams, was employed on a full-time equivalent salary greater than the CEO without the approval of RemCo or the shareholder. I was also told that the previous POL Head of IT, Jeff Smyth, was due to receive a bonus linked to delivery of a programme to exit POL's Belfast data centres. This programme was, in my view, a waste of public money approximately in the region of £35 million and I will mention it in more detail later in this witness statement. My considered opinion is that the executive tried to deliver this project at any cost to release bonuses. These arrangements reinforce loyalty to the bonus culture, rather than driving performance or positive behaviours. There was over whelming pressure from the IT team to ensure this project had continued funding. I regret not being more forthright in challenging this project.

75. I would suggest the inquiry investigate collateral bonus arrangements and pay increases for senior executives since 2019. Greater rigour and transparency is necessary to ensure accountability to and scrutiny by the shareholder, DBT.

76. Over the course of the last 12 months there has been investigation of a whistleblowing complaint by the former CPO, Jane Davies, against the CEO, Nick Read. POL General Counsel, Ben Foat, instructed Pinsent Mason solicitors who instructed counsel to carry out the investigation. I lacked confidence in the investigation process, and I expressed my concern to Amanda Burton (Board Speak Up Champion) that the board were not provided with the anticipated cost, initial instructions, or the initial terms of reference given to the investigating barrister. I was only given sight of the final report at the end of the investigation, a copy of which is attached **[POL00448641].** The report, however,

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did not include the instructions provided to the investigating barrister, so I am unaware of the information provided to them or the details of what they were asked to advise upon. I sent an email to Amanda Burton about this on 6 April 2024 (16:56) and she replied to me the following day at 08:03 expressing her view that the investigation was independent **[POL00448608]**.

77. My view is that it is important for the board to have a chance to review instructions and terms of reference of investigations into senior figures. To date I have still not had visibility of the initial instructions and costs provided. Because of the lack of disclosure of simple information, my concern was that the individuals tasked with overseeing the investigation could have closed-ranks, and to-date I have not seen any evidence to allay that concern. From my experience, POL has a history of engineering reports to its advantage and marking their own homework.

78. There is an ongoing focus within POL at executive level of issues of retention risks and therefore a strong focus on improving pay, but neither I (nor the Board) have been presented with the statistics which provide any evidence to support the sustaining of these concerns. For example, an additional multiplier was proposed in 2022, to be applied to the 2021/2022 bonus as well as the bonus plan for 2022/2023 as referenced in the minutes of the board meeting on 12 July 2022 **[POL00448625** at pages 3 to 26**].** It was suggested that this was driven by an incentive to improve retention, however I saw no evidence of retention issues within POL and believe the concerns were instead held personally by the CEO.

79. I was not privy to the RemCo discussions in 2022 as I do not sit on the RemCo. However, I am aware of investigations into a number of "*Speak Up*" complaints

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comprising allegations made about POL senior staff members around the conduct of interviews, inappropriate pressures being brought to bear on PMs or others and the withholding of evidence from them. This was referred to in POL's opening statement to the Inquiry, a draft copy of which was circulated within the 27 September 2022 board pack **[POL00448625** at page 205**]**. POL has not waived privilege in this document and have redacted this from the version of the board pack provided to the Inquiry. These allegations were bought to the attention of the Speak Up team and it was proposed that the Speak Up team contact the witnesses to obtain their account.

80. Throughout the period January to March 2023, I received a number of verbal briefings from the Chief People Officer Jane Davies, regarding the conduct of certain individuals and a lack of adherence to compliance requirements and scrutiny of RemCo matters. Ms Davies also provided me with details of a complaint made by **GRO** **GRO** concerning his allegations that details in papers provided to RemCo were "*obfuscated*" to favour pay rewards. As a NED I was never equipped nor encouraged to challenge such matters at board level.

Nepotism

81. The recruitment and procurement processes within POL lacks transparency and integrity and is nepotistic. Many contractors or employees are hired by POL based on personal connections within the organisation. There has been a significant group of employees employed in POL described internally as '*referrals'*. I anticipate that records of referral-based recruitment are kept by POL and that this might be of interest to the

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Inquiry on the question of the culture of POL. This nepotism perpetuates the entitlement culture that runs through parts the organisation.

82. For example, Nick Read made the board aware that the Chief Transformation Officer, Chris Brocklesby, was engaged by himself on significantly high costs / improved terms than his predecessor in that role, Jeff Smyth. I do not believe those terms were interrogated through any procurement process or notified transparently to RemCo for recommendations to be made to the POL shareholder.

83. On the question of procurement, I can give an example of the recent board discussion on 4 June 2024 of renewal of the Fujitsu Horizon IT contract. It has been proposed to renew this contract until 2030. This seems foolish to me given the intentions to replace Fujitsu as POL's IT service provider for branches. At the board meeting on 4 June 2024, I voiced my concerns and queried why the extension was not proposed for three years rather than five given the programme build was due to complete in 2016. Options to extend the term of that agreement in one-year increments could be agreed if POL is unable to introduce its NBIT systems as early as it hopes to. I highlighted the risk of POL being on a new platform whilst paying service fees to Fujitsu and was advised by the Chief Transformation Office, Chris Brocklesby, that the proposal was intended to provide contingency. Following me having raised this issue, it was agreed that deputy CEO, Owen Woodley, would look into the possibility of negotiating a five-year extension with a three-year break clause **[POL00448648].**

84. The board often is not given sufficient and appropriate levels of information from POL's executive teams to enable decisions to be made. It is frequently the case that the

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executive teams provide information to the board as a foregone conclusion with recommendations from POL's legal team and these recommendations are simply "*rubber-stamped*" by the board. I believe that there is insufficient oversight of the procurement processes within POL and their associated costs, particularly given that there are public monies funding the activities of POL. I have raised this issue at Board level most recently in March 2024, though it was not recorded in the minutes, and again in May 2024 when I was an observer at the Investment Committee meeting. Some Board members share my concerns to the same level. The CEO, Nick Read, agreed to look into the issue.

Senior Leadership Performance management

85. Performance management is a significant issue in POL's business too. It has been apparent that, sometimes, senior individuals have been recruited and not performed well. However, underperformance is not always quickly identified and managed resulting in a waste of public money.

86. It has been my experience as a NED that there is a sense of entitlement within the POL business. I have been involved in interviewing several candidates for senior roles and I have noticed a trend of expectations that candidates will be successful in their applications simply by reason of their length of service rather than demonstrating particular aptitude for the requirements of a given promotion. The culture is entitlement rather than skills driven.

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87. The former, CPO, Jane Davies, shared a detailed plan to change the culture of POL. Ms Davies shared with me her March 2023 presentation on *'leadership behaviours'* which she delivered at the Employee Annual Conference in April 2023. This outlined that the engagement survey results had shown that whilst POL was viewed as respectful, friendly and supportive, it was also seen as being bureaucratic, fragmented and inefficient. The issues addressed included favouritism and nepotism, a lack of accountability, being hierarchical and overly bureaucratic and not being PM focussed **[POL00448642].** The engagement survey results being analysed in this document are unclear to me. I had understood them to relate to the 2023 engagement survey. In preparing this response however, I requested disclosure of the results and analysis of the 2023 POL Engagement Survey and was advised that a full Engagement survey did not take place in 2023. That presentation highlighted to me the need to change senior leadership team behaviours. To my knowledge there has been minimal progression since that presentation and Ms Davies' dismissal around July 2023.

Poor organisation / effectiveness

88. The culture of the organisation remains unchecked by the Board and the senior executives despite board agenda items concerning culture.

89. The board meeting minutes from 28 November 2023 confirm that *"a number of cultural initiatives had been launched over the last few years however what was needed was to define the golden thread running through these. The current CPO, Karen McEwan, advised that the ambition was to make Post Office a great place to work where people felt included, were paid fairly, and had opportunities to progress* **[POL00448614]."**

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90. Within the board governance map and forward plan 2023/24 the people strategy (including culture) is listed as having to be scheduled. The update in respect of the ethos programme (culture transformation) was scheduled for 4 June 2024 as referenced in the POL Board Governance Map and Forward Plan 2023/2024 **[POL00448613].**

91. In the board report considering the 2024 employee Engagement survey results it was acknowledged that '*the level of strain felt by senior colleagues at Post Office is substantially different to the level of strain felt by more junior colleagues and this is impacting their wellbeing. The predominant descriptions of the Post Office culture for junior colleagues are 'friendly' and 'supportive' whilst for different senior colleagues they are 'bureaucratic' and 'political'. The barriers which have the highest impact on strain have decreased for junior colleagues, whilst increasing for senior colleagues. Proximity of senior colleagues to governance processes is likely a cause of strain and job and organisation design should be reviewed for senior colleagues'.* **[POL00448624** at pages 188-191].

92. It is my considered view that within POL there is a benefits and pay model which has the effect of maximising gains for the wider executive. For example, there is generous pay, holiday leave, pension contributions, easily achieved bonuses, collateral bonuses, without delivery capability to match those terms and without meaningful accountability and performance management.

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93. Whilst improving the culture at POL is often discussed, previously there was limited planning from the POL management team. This was until the incoming CPO, Karen McEwan, took responsibility for culture. The team led by the Group CPO, Karen McEwan, including Nicola Marriott and Tim Perkins, seems to be making a concerted effort to change the culture of POL and they are determined to succeed. They have been a breath of fresh air and are grappling with the cultural reset this organisation desperately needs.

94. The Board are very disconnected with the POL senior leadership and are not sufficiently engaged with operational detail. The Board are not provided with the information that they need to understand the real issues affecting POL such as executive salary costs, exceptional cost spending, compliance, cultural issues, substantial central cost reduction and, critically, PM specific issues.

95. The organisation is largely led by the senior leadership team under the CEO, Nick Read and not the board. Most directors are not invited to key meetings that would benefit the business such as meeting with key POL suppliers or stakeholders. For example, there are logistics specialists on the board who are not invited to meetings with suppliers, and there are PMs on the board who are also not invited to meetings with the Communications and Workers Union ("**CWU**") or the National Federation of SubPostmasters ("**NFSP**"). The skillsets of the board members remain untapped by the wider executive.

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96. There is insufficient board oversight of certain parts of the organisation, such as the structures within Head Office and costs. As such, it is difficult for the board to understand the key issues affecting its employees and PMs.

97. As a PM NED I have been asked by PMs, AMs and Regional Managers ("**RM**s") to visit different areas of the country. I wanted to do this and raised the issue with the PM engagement team. The PM engagement team were not happy for me to make visits alone and wanted to vet the agenda and control which sites I visited. I feel as if this is another example of the divide between POL staff and PMs and the unnecessary obstacles to positive engagement with PMs.

98. Often it can be confusing to understand the responsibilities of the wider executive and where they start and end. For example, POL has a Retail Director, PM Engagement Director, PM Experience Director and PM Representative Experience Director. These individuals work within the same teams but there is no clear delineation of roles, responsibilities and/or accountabilities (or at least none that has been made clear to me as a NED). This lack of clear ownership of management functions and accountability makes it very difficult to make progress or work at pace on any given issue or hold individuals to account for poor performance.

99. From my discussions with various POL executives over time, my understanding is that the POL CEO, Nick Read, has had limited involvement in business as usual since the public inquiry began. I do not understand there to be a clear strategy for the development of the POL business or, importantly, a robust cultural change programme to build trust across the organisation. Mr Read's background is in retail, and it does

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not appear to me that this current role within POL is particularly suited to his skillset. Whilst there are considerable demands upon his time relating to this Inquiry, as well as the day-to-day, he has not yet put in place a strong capable leadership team to deal with these matters considering he has been in post for five years. I do not feel that the senior leadership has focused sufficiently on PM welfare and their futures particularly relating to their fair remuneration and their commercial needs. His focus is very reactive and tactical, short-term and not sufficiently focused on the long-term sustainability of POL and PMs. I am aware from conversations I have had with fellow PMs that this worries them and has a detrimental effect on their confidence and trust in the Post Office brand.

100. POL's legal teams dominate POL and take the pace out of decision making. There is limited understanding at board level of the role of the internal legal team and external lawyers as they affect the day-to-day function of POL's operations and how they can cripple decision-making. All significant decisions made within POL requires referral to the in-house legal department and/or external legal advisers This frequently leads to delays in effective decision-making and, due to the lack of detail provide to the board and / or representation from specialist in their relevant sectors at board level, the decisions of the Board as a whole tend to blindly follow the legal advice received without rigor and challenge informed by commerciality. The entire board does not have visibility of the details of all external lawyers and legal advisers and the cost of this to POL.

101. When board decisions are required to be made to defend or concede court proceedings the board are given the entire legal packs. By way of example, the board

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packs provided throughout the period June 2021 to August 2021 include details about historic shortfall claims and applications to the Court of Appeal to overturn the convictions of PMs. The board packs are extensive; many include around 250 pages however can run to as large as 881 pages for example **[POL00448632, POL00448631, POL00448630, POL00448629, POL00448628, POL00448627 and POL00448626].** POL has not waived privilege in sections of these documents and the versions provided to the Inquiry are therefore redacted. The extensiveness of the board packs is however apparent from the redacted versions of the documents provided. The advice received from POL's internal legal teams is often not presented in a form that can be assimilated and appraised by non-legal professionals. Given these obstacles, there is no culture of reviewing and critiquing legal advice, but rather one of deference and subservience to lawyers.

Communication

102. Communication by POL is problematic, depending on where you are in the organisation's hierarchy. For instance, senior leaders are well-informed about the business and operations, while the board is only informed about what the senior leadership wants them to know. Lower-paid POL employees are notified of changes via email or sometimes through their line managers. PMs receive communication in different ways, such as through email or from their AM.

103. Communication within POL seems to be better with POL staff informed of structural changes or new products, etc, although the board seems not to be included in communications on some occasions. For example, when staff members have left

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certain members of the board have not been made aware and have found out via media reporting. Should a senior member of staff leave or be suspended, this is not always relayed to the entire Board at once. A recent example of this was when the former chair, Henry Staunton, was sacked, I discovered this via Sky News rather than via POL. Another example of this was when the previous Corporate Affairs Director, Richard Taylor, was suspended and left, and, when the Mails Director, Mark Siviter, left the business, the board was not informed of these events and found out from external sources. My concern is both that the board are not notified of significant events affecting the board promptly and, in some instances, are never notified.

104. The executive team has gone through significant turmoil over the last year, with executives going off on sick, executives leaving, executives being asked to leave, and executives being investigated. These matters have been well reported on and addressed in evidence the Inquiry has heard previously. This turbulence has not been appropriately communicated to the board. This has naturally led to unrest which impacts on PMs. For example, there have been investigations into the CEO, Nick Read, as revealed at Select Committee hearings.

105. In March 2023 the board was also informed that POL was investigating its previous CPO, Jane Davies (in a manner similar to the events mentioned in Project Pineapple which I will explain in more detail later in this statement). I have been informed by Amanda Burton that POL's General Counsel, Mr Foat, instructed Pinsent Mason solicitors who in turn instructed counsel in connection with that investigation but I am not privy to the details. Following discussions at a NED only meeting, I came to the view that Jane Davies and Nick Read had a good working relationship but that this

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deteriorated once Mr Read's pay increase was rejected by the Government. Once Ms Davies had received her notice to leave the business another NED only discussion took place concluding that Ms Davies has not been set up for success and that more could have been done to assist her in her role by both the board and the senior leadership team and that we should ensure the next CPO is set up for success.

106. There is a disconnect within the board, where certain members work together on what could be deemed politically sensitive issues, and the products of the work of these teams are not appropriately shared or communicated to the wider board. For example, Lorna Gratton (the UKGI representative), Nick Read (CEO), and Amanda Burton (the Remuneration Chair) and until recently Ben Tidswell (SID) are provided with wider information that is not available to non-executive directors, and which is often not fed back to the entire board.

107. POL still lacks a consistent method of communicating with all PMs and does not know how each PM prefers to be communicated with. I have raised this issue on a number of occasions in board meetings. Despite my efforts, there has not been a prioritisation of wider and improved communication with PMs. Many PMs remain out of reach due to inadequate or non-existent lines of communication, and there is limited engagement with them as a collective. Not every PM's first language is English, and many are not technologically savvy or best communicated with via email.

108. The relationship between PMs and the POL comms team has been historically poor. However, with the new corporate affairs director, Charlotte Cool, I feel optimistic the

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business will be in a better place as I feel she is she aware of the cultural issues the business is plagued with.

Strategic Focus

109. The various executive teams of POL operate independently of each other and within silos. There is not adequate communication between those teams and the information that is shared is not always accurate. Each executive team within POL pursues its own agenda such as in relation to marketing strategy, implementation of Self-Serving Kiosks ("**SSKs**") in Post Office branches and implementation of NBIT with no overreaching strategy for the entire POL business. Not every team is pulling in the same direction and the senior leadership does not currently provide that direction.

110. A recent example of siloed working practises was when, in June 2024, I saw a slide-deck from a shop-concept organisation called ITAB during a Microsoft Teams meeting that I was invited to as part of POL future strategy. That slide deck showed potential future branch formats for Post Offices **[POL00448405].** This was one of the best slide decks I've seen showing futuristic mood boards of what Post Offices could look like. I then spoke to the NBIT team and asked them if they had been speaking to the ITAB team about compatibility with future POL plans. Neither ITAB nor the POL NBIT team were aware of each other.

111. Another example is that POL has been exploring the closure of its data centres in Belfast in favour of a substitute cloud-based system. This was investigated in detail with Amazon who concluded that POL's dataset was so old it would not be possible to export it to a cloud-based system or that it would not be cost-effective to do so. At the

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board meeting on 16 March 2022, I queried the costs involved in the project and asked: '*what needed to be done to stop costs spiralling'* **[POL00448373].** At the board meeting on 12 July 2022, it was raised that there were issues with the Belfast Exit programme, namely that '*given the technical issue the migration would need to be conducted next year after peak trading. This would result in an overall consequential delay, which was why the cost was greater.'* When discussing the best way forward it was suggested that '*the other option was to stay in Belfast. This was not a risk free nor cost free option. The actual data centres and plant were old, and we did not know what the shelf life of the plant was. There were lots and lots of storage arrays which has limited longevity. Additionally, there was a diminishing knowledge pool at Fujitsu. This option carried risks that were difficult to fully articulate* **[POL00448625** at pages 3 to 26**].'** At this meeting, it was decided that POL would continue with the programme the board approved further spending in the sum of £9.5 million to cover costs between July and September 2022. Elliot Jacobs raised concerns about the cost levels and was advised by the Chair that '*if the project was not concluded then the Company would not be able to operate Horizon and Postmaster's would not be in a position to earn any remuneration* **[POL00448625** at pages 3 to 26**].'** At the board meeting on 27 September 2022, it was agreed that the Belfast Cloud Migration would be halted and funding was approved for the fortification of the Data Centre at the board meeting on 24 January 2023 **[POL00448620].** The Report to the board for the 24 January 2023 meeting is at **[POL00448622]**

112. The Business Plan for the financial year 2024 / 2025 suggests that the cost of the Belfast Exit programme was £19.7 million in 2021/2022 and £15.1 million in 2022/2023 [**POL00448610**]. That project was abandoned after considerable amount of wasted

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time and costs and POL's data centres are still physically based in Belfast to this day. There has been tremendous distraction of focus from other issues in relation to this project and very large sums spent. This can be contrasted with the approach taken to individual PMs when small discrepancies are identified in their finances.

Co-operation with Government / DTB

113. During my tenure as a NED, I am only aware that the entire Board has spoken with senior individuals in Government on 3 occasions and these occasions have been informal catch-up conversations rather than significant discussions of strategic direction. I believe that the Chair and the UKGI representative director have more frequent conversations.

114. My perception is that the Government sees POL as a problem child and, even though there is a need to be seen to preserve POL, there is no long-term plan for how to achieve this. POL board has not taken charge of any discussion with the Government about this, and it is too reactive and places too much reliance on POL executives leading that conversation with insufficient oversight of how this is being done. The Board is waiting for the Government of the day to tell them what role it is considered POL should perform. Currently, for example, POL is blindly fulfilling criteria to operate 11,500 branches without thought about the commercial or societal need for this.

115. My strong preference would be for the Board to devise a strategy for its future activities and to push for Government support and funding to achieve this. Taking steps towards that goal is problematic as the UKGI representative on the POL Board effectively is

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the gatekeeper to that conversation and all discussions with Government stakeholders take place from that perspective. For example, POL has no direct line of communication with the treasury department, and I consider that to be vital in the future to ensure POL's success and avoid POL's current cycle funding frustrations.

116. There is not a sufficient collaborative approach between POL, DBT and UKGI. The board of POL makes its strategic business decisions by a reference to available information concerning its funding. Funding is received by POL in line with Government cycles and it is not possible for POL to plan effectively 5 or 10 years into the future. To an extent, POL must bear some responsibility for this because historic Government funding for directly managed branches ("**DMBs**") has not always been applied to that purpose and I perceive a level of mistrust in the relationship.

Insight and drive to improve

117. Annual board strategy days are organised and held at POL headquarters. These are attended by senior POL executive members who pitch to the board. Action points are developed at these meetings, but not consistently progressed by the executive after those meetings. My impression is the executive cherry pick which items to execute to suit the agendas of their teams.

118. The strategy sessions on 27 and 28 July 2021 focussed upon '*Postmasters: Engaging with independent postmasters and strategic partners to build stronger partnerships.'* In a board report concerning the *'Independent PM and SP engagement framework'* it was highlighted that POL had started a cultural shift to be more *'PM centric'* however

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there was still a way to go. The report noted that appointing PM NEDs had been a meaningful step in bringing first-hand experience to the Board room, amplifying the focus on what matters to PMs and SPs. It was however recognised that PM NEDs cannot speak for the large and diverse networks and a more formal engagement structure was proposed, which acknowledged that different approaches were required in respect of PMs and SPs **[POL00448647]** and [**POL00448645**]. In respect of SP's, monthly strategic meetings were proposed, and in respect of PMs regional and national forums were suggested. The minutes of the 27 July 2021 strategy day are at **POL00448646** and the 28 July 2021 strategy day at **POL00448644**. It was also noted that members of the GE and SLG were expected to attend National PM and Executive SP forums. Whilst engagement forums were set up, my experience of these is that they are used as a 'tick box' exercise to give the impression that POL are improving engagement with PMs and that they provide limited value. Verbal feedback form PMs who attend these forums have confirmed this view.

119. NEDs are expected to extract the relevant information from these packs and make strategic decisions. These Board Packs are not sufficiently focused on key issues and the important detail is lost in the noise. The information provided to the Board is also selected by the executive teams so that they can steer the direction of the Board's decision making. POL's executive teams do not always convey quality information effectively and efficiently to the board.

120. In my experience, the various executive teams within POL provide information to the Board only on a need-to-know basis and they are content to continue to operate independent of Board scrutiny, for example, the Retail team. On the other hand, the

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board can sometimes be deluged with such large quantities of information that it cannot effectively process it and make effective decisions to steer the future commercial direction of POL.

121. From my experience, reports to the Board are, at times, made when executive teams wish to avoid responsibility for making significant decisions themselves. Examples of this would be the projects to exit the POL physical datacentres in Belfast or in relation to NBIT. However, executive teams can act alone if they would prefer not to involve the Board and to "*mark their own homework*" for example in relation to STIP and LTIP. Decisions that the board need to make are not always on the agenda. However, executive matters for approval are passed to the board creating overload for the board and blurring lines of responsibility.

122. Recently, in July 2024, by chance I was made aware of an issue with the NBIT project which the board should have been made aware of. Individuals within this team had grave concerns about the viability of and timescales for this project. Team members raised concerns with the executives, but the board had not been made aware of this. There is potentially a multi-million-pound business and service impact arising from this.

123. I am not aware that there are any procedures in place within POL for regular review of the progress of large-scale infrastructure projects and this strikes me as an executive and governance failure. I have raised concerns at board level regarding the proposed closure of POL's Belfast data centres. After a significant waste of money that project was terminated, I am not aware of any internal review to learn lessons from the time and cost spent on this abortive project. If such an exercise was conducted, to my

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knowledge it has not been brought to the attention of the POL Board. A lack of transparency from the wider executive has, in my view, resulted in repeated poor decision making and revealed a lack of effective governance.

POL Employee Survey Results

124. The 2023 Organisational Pulse Survey Results demonstrate some of the key issues faced by POL **[POL00448633]**. The surveys were conducted over three waves between 21 August and 23 October 2023. They yielded 2,359 responses which translates to a 65% response rate and the conclusions were:

124.1 Only two in three of POL's employee's feel engaged, however this represents a rise when compared with recent years;

124.2 Two in five colleagues perceive communications as open and honest and think that they permit two-way conversations; and

124.3 Three in five colleagues do not positively have confidence in the senior leadership of PO.

125. The POL Employee Survey Results for the most recent year have been extremely poor and these results were not accurately reported to the Board. The survey reports came to my attention when they were referenced in the CEO Report for the board meeting on 4 June 2024. At the board meeting on 4 June 2024, I requested that the results of the employee and PM surveys be presented to the July 2024 board meeting as the report indicated the results were positive but that was not my reading of them **[POL00448648]**. The reporting was a whitewash. This then created curiosity amongst

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other NEDS including Elliot Jacobs and Lorna Gratton and so I sent a copy of the PM survey results deck to the board. This then resulted in the Chair wanting this to be an agenda item for the board strategy away day in July 2024 strategy day. At the strategy day, the Chair noted the overall decrease in PM sentiment, and it was highlighted that the three areas of concern were remuneration, leadership and culture. It was agreed that the measures being undertaken to improve employee satisfaction were not significant enough and that a better overall strategy was needed to lead to improved remuneration for PMs. I agreed with the Chair's suggestion that an improvement in PM remuneration could shift sentiment. The 8 July 2024 Strategy day minutes are exhibited at **POL00448643.**

126. The challenges facing POL when it comes to engagement with the entire organisation is perhaps most recently evidenced by a letter dated 28 May 2024 sent by a number of individuals describing themselves as a group of highly disenfranchised POL employees (and presumably, therefore, not PMs) to senior figures in the Inquiry, the POL board and the DBT. That letter sought support to address what the writers considered to be "*intolerable leadership and cover up within POL"* and is at page **[POL00448411].** I share the concerns of the authors of the letter. I am not aware that POL has responded to the underlying issues in the letter. It is troubling that this group of employees felt they had to remain anonymous.

Attitude towards PM NEDs

127. The PM NEDS are the only members of the board who have been elected by PMs. Mr Jacobs and I have experienced resistance to the carrying out of our functions within

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POL. Various POL employees have mentioned to me in passing that unspecified senior individuals within POL are reluctant to work with me because of the independent approach that comes with my appointment. I feel that some of the POL employees have felt threatened by the PM NEDs because we know more about the Post Office enterprise than they do. As a result, I feel I have been kept at arm's length by POL staff and the culture.

128. From my interactions with POL employees, I get the impression that the CEO and other senior executives are not comfortable with PM NEDs being on the POL board. In early 2023 I was briefed by POL's then CPO, Jane Davies, that Nick Read does not wish PM NEDs to be on the board because they are "*too challenging"* and that they "*ask awkward questions"* and that *"it was a mistake bringing them on and it needs reversing"*. This contradicts the POL public position that PM NED roles were created to bring operational rigour and to allow difficult conversations to be had at board level.

129. I feel that my role as a PM NED has been exploited by POL to try to evidence cultural change that has not happened. I have made my views about this clear in my e-mail to the POL engagement team dated 1 May 2024 **[POL00448391].** Nobody approached me to address these concerns.

130. The NED role is not an easy role for a PM as I am required to sit in two camps simultaneously. Since being appointed as a NED I have tried to constructively engage with the various executive teams of the Post Office, but I do not feel that this has been reciprocated. As I have mentioned earlier in this statement, PM Listening events were organised by the Retail Team during Ramadan to ensure they took place in advance

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of Phase 5 of the Inquiry. These events were organised without prior consultation with me or other PMs. The purpose of these events is to obtain feedback from PMs and also to give updates to PMs on the business direction of POL. These events were subsequently rearranged so was able to attend. There have been other PM listening events and PM forums arranged by the POL retail team which I have not been invited to as one of the PM representative NEDs on the Board. I do not believe that other Board members have been invited to these events either.

131. I have had correspondence with POL board members on this issue, for example the email chain dated 18 April 2024 (11:18 to 14:15) **[POL00448389]** in which I expressed my view that:

"*Our business is keen to promote two PM NEDs on the board to show we have transformed our culture but fails to invite its PM NEDS to Postmaster Listening events. This contradicts our businesses ethos of change in culture and being postmaster-centric. This is not the first time this has happened, and it is both unsurprising to me and deeply disappointing. This is another example of the lack of engagement the retail team has had with me and Elliott whilst we have been on the board. On a positive note, I would urge all board members to attend these events as they will give you a great understanding of what postmasters are thinking and feeling on the ground.*"

In this instance the Deputy CEO, Owen Woodley promised to follow up on these matters and these events were rearranged.

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132. In addition to not being invited to events concerning the POL relationship with PMs I am also not included in other meetings which other directors do attend. As I have mentioned earlier in this statement there is not a PM representative on the POL RemCo and, as such, there is no visibility for PMs of the remuneration, bonuses and collateral bonuses of senior executives.

133. Despite me having made repeated requests to the board for an annual calendar of events showing key festival and events to be prepared which is easily accessible to enable senior executives and board members this has been ignored. Such a calendar would enable people to more easily plan event attendance in advance.

134. During my tenure on the board, I have consistently raised concern about a lack of communication with PMs generally and specifically the need for regular feedback from PM NEDs to PMs. However, this has not been seen as an important issue to be addressed by the rest of the board or the executive. There is not currently a mechanism for PM NEDs to communicate with PMs and I see this as another example of a separatist culture. I feel that it is crucial for PMs working within this organisation to have unfiltered direct communication.

135. Upon being appointed as a NED, I was informed by the previous Corporate Affairs Director, Richard Taylor, that I should not have direct contact with PMs on social media for reasons of brand and board confidentiality. I saw this as a lack of trust and confidence in PM NEDs which highlighted the culture of separatism towards PMs. When appointed as a NED, Mr Taylor told me that I had been elected by PMs, but the

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PM NED role was not intended to represent the interests of PMs at board level. I do not believe that this is consistent with the way my role was publicised to PMs.

136. I have pressed the previous Corporate Affairs Director, Mr Taylor, for an avenue for PM NEDS to have communications with PMs as, there is a perception among some PMs that their PM NEDs are not doing enough to represent their interests. I wished to correct that viewpoint and to explain we are trying to drive cultural change in PMs' interests and that we are receptive to their views (the email chain dated 24 November 2021 (17:12 to 24 November 2021 (18:14) **[POL00448370].** Nothing further came of this correspondence.

137. A new POL Corporate Affairs Director, Charlotte Cool, was appointed around six months ago. Ms Cool is more willing for there to be direct engagement between PMs and the PM NEDs, and she has spent time trying to build a relationship to support me and Mr Jacobs. In particular she has gone a long way to support our engagement with PMs. She has been a breath of fresh air.

138. Since taking on the role of Corporate Affairs Director, Charlotte Cool, has made significant progress by involving all stakeholders relating to PMs including VOP, the NFSP and the CWU. Ms Cool's proactive approach has brought these organisations together to discuss how we can advance POL, not only from the perspective of mutualisation, but also from an overall branding and customer experience standpoint. I found this approach to be groundbreaking and long overdue.

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139. Ms Cool regularly consults with me and sends documents to review to ensure the wording is appropriate for a PM perspective. She has told me that she finds this to be very useful, as it helps the POL business engage with PMs. Ms Cool has also played a key role in moving forward conversations about PM struggles to the Government and exploring models of mutualisation.

ITV Drama

140. Following broadcast of ITV TV drama "*Mr Bates vs The Post Office*" the POL board received an email from Richard Taylor, (Group Corporate Affairs, Communications and Brand Director) regarding the ITV summarising the audience response and priority issues stating:

"From the content of the drama, three priority issues remain. 1. Computer – e.g. focus in drama on remote access as the cause; our intent to replace Horizon is clear. 2. Contracts - presented as outdated and difficult for postmasters to understand; we have restated them in response to the CIJ but may now need to show a clearer programme of modernisation underway when funds available. 3. Culture - portrayed as overbearing and cynical; the ethos programme is our opportunity…Further data and analysis will be prepared for the Board's meeting on Tuesday 30 January."

141. In the wake of the broadcast from 1 to 4 January 2024 I received media attention and was hounded by journalists. I felt isolated and did not receive support from POL. My name was referenced in articles published in the Times newspaper. The only individuals that reached out to me in those difficult times was my PM family and Mr

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Jacobs. Many PMs would regularly text or call me to see how I was getting on and if I needed any help or just somebody to talk to.

142. When discussing their reactions to ITV Drama many on the POL board had not fully realised how PMs had been treated and some were shocked. This highlighted to me that POL had not done enough to raise awareness with NEDs about the events of the past.

143. Following the broadcast in January 2024 POL's senior leadership team attended the board meeting on 30 January 24 and they took that opportunity to make the board aware of the treatment that they were receiving, which had included death threats and wishing their children to commit suicide. The senior leadership members who received this treatment had nothing to do with the issues of the past. The board acknowledged they should have done more to support the senior leadership in such torrid times.

144. The Board response, on the recommendation of Mr Read, was to leave matters in the hands of the public relations firm, TB Cardew, who had been engaged by POL. My understanding is that TB Cardew are to monitor the reaction to the ITV drama and to keep the board informed as to the reaction and their recommendations in response to it. I have not had sight of any report to the board or others by TB Cardew, yet I believe their charges to POL include a retainer of around £15,225 per month and their total charges to POL in recent months have been in the region of £80,000 per month. A POL board report from 25 March 2024 is the source of this information **[POL00448785].** To my knowledge, there has been no POL review to date of TB Cardew's effectiveness.

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145. As I have mentioned earlier in this statement, I was also selected to give evidence to the Parliamentary Business and Trade Select Committee on 11 June 2024, but this appearance was cancelled when the July 2024 general election was called. I did receive support from POL in relation to that abortive attendance and the POL CEO, Nick Read, did reach out to me to let me know that the POL business would help me in any way that it could to enable me to provide evidence to the Select Committee.

PM NEDs

146. I have concerns about the period of the tenure of PM NEDs. It takes 18 months for a new PM NED to get up to speed with the corporate issues. The POL NED position is a much heavier commitment than I had anticipated, and all other independent NEDs agree. The NED role was intended to be two days a week but, currently it requires ten days a month from me. NEDs having insufficient time to meet their board responsibilities was a finding of the recent Grant Thornton report commissioned by POL to review governance.

147. A single term is not sufficient for the PM NEDs on the POL Board to effect meaningful change and if they are replaced at the end of each term then PM NEDs are unlikely to be able to have the positive effect for PMs that I understood the roles were created to achieve.

148. My assistance was sought by POL's Network Development Director, Tracy Marshall, in late April 2024 with POL's ongoing NED recruitment campaign **[POL00448391].** I

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responded to decline to become involved in that campaign and informed Ms Marshall by reply that *"Over the past three years, we* [me and Elliot Jacobs as PM NEDS] *have been significantly hindered from engaging with Postmasters at the desired level due to a lack of response from the Retail Engagement and Comms teams, despite repeated requests. Additionally, we are firmly opposed to the way in which the replacement process is being handled which we have both been vocal about. Specifically with regards to the lack of continuity, corporate memory, and effective postmaster oversight that will be lost in this hand-over process. After much consideration, we* [me and Elliot Jacobs as PM NEDS] *do not feel that we can endorse the process with our commentary in your communication at this time."* **[POL00448391]**

149. Despite the issues that I have raised above, most people within POL are genuine and sincere and there is a desire for change. I have met some very well intended individuals through my role on the Board. The difficulty is practically effecting the change that is wanted and needed

150. My position as a PM NED will end upon expiry of the current term in Jun e 2025. I will not be permitted by POL to stand for re-election. I was notified on Friday 28 June 2024 (1:28pm) that my application to stand for re-election would not be progressed to the "*shortlisting*" stage of the POL recruitment process. A copy of the email to me informing me of this decision is at **[POL00448399].**

151. I believe the timing and criteria were engineered to exclude me and Mr Jacobs because we are too challenging, inquisitive and ask too many awkward questions.

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152. POL set eligibility criteria for applications for future PM NED posts. These criteria were notified to me and other prospective applicants by email on 8 April 2024 (15:17) **[POL00448392].** One of the applicable criteria concerns a 90% threshold for declaration of cash balances by 7pm daily over the six-month period from October 2023 to March 2024. It had, therefore, been determined whether PMs would be eligible to stand for PM NED posts before PMs were notified of the metrics their applications would be judged by. I operate seven Post Office branches. Six of the seven branches were well above the 90% completion rate threshold. My New Hall Lane branch did not meet that threshold. The reason for this is that I had trialled extended opening hours throughout September to November 2023 for the purposes of offering customers courier services with EVRi and DPD in addition to POL services. Without offering those additional services that branch was only breaking even and POL encourage the offering of additional services where the profitability of branches is threatened. For that reason, the branch was open beyond the daily cash declaration deadline. POL was aware of this trial prior to it being commenced but has afforded no leeway in its application of its eligibility criteria, despite the provision of a supporting letter from my AM which confirms that, since November 100% of the cash declarations have been completed **[POL00448604]**. My New Hall Lane branch scored an average completion rate of 88.9%; a mere 1.1% below the threshold for POL's eligibility criteria over the relevant six-month period. My operational performance data for the New Hall Lane Post Office for the relevant period is at **[POL00448395].** I am advised that, for this reason, I will not be permitted to stand for re-election **[POL00448399]**.

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153. I am incredibly disappointed by the approach that POL has taken to my application and the inflexibility of its criteria given the explanation which can be provided for the very modest shortfall in one out of seven of my branches. However, this does at least allow me to provide my evidence to this Inquiry without risk of any perception that I have not responded fully or with one eye on the potential for a future role on the POL board. In any event, prior to my receipt of the Request, I had prepared a document which detailed my concerns about the culture of the POL board, POL's relationship with PMs, and the need for change in the organisation which had I provided to the new POL Chair, Nigel Railton, on 28 May 2024.

154. My intention was to discuss the problems I see with POL and my views on the solutions in an introductory meeting with Mr Railton following his appointment on 24 May 2024. I emailed Mr Railton on 28 May 2024 (18:47), attaching a note of my concerns, dealing primarily with issues of corporate memory and branch automation, and set out the following **[POL00448394]:**

"Yes, this captures our thinking and aims for the future and also encapsulates a lot of what we saw in [Paula] *Vennells' evidence that remains areas for significant improvement.*

I think we suggested instead of calling it an oversight committee a PM Advisory Committee sounded better. This committee should have a clear mandate and terms of reference, bring together voices from across the PM community, meet 4-6 times a year, and aim to educate and guide senior POL members on the impact of proposals and strategies, ensuring a PM-centric approach in all our activities. It should have the

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authority to call upon senior POL members to explain and challenge what is working and what is not. It should also provide overwatch on PM investigations.

The lack of automation is shocking and needs the be right at the top of agenda - it is the only way to build a sustainable network and if we ran our own network would have been invested in years ago.

On the point of candour - we must embrace the "uncomfortable" (such as the GT report) and stop seeking to rewrite analysis for a better view rather than face into the changes we need to make.

Finally, the lack of Corporate Memory is a major problem - sighted by Vennells too and still a lesson unlearned - we risk losing the learnings and experience in the desire to replace positive challenge (No NEDs older than Saf and Elliot [Jacobs] *in situ, with many not looking to do a second term).”*

I did meet with Mr Railton, and I felt that he was receptive to my concerns and that he is determined to move the business in the right direction.

Governance failures of the past

155. The lack of governance within POL has been recognised historically and remained present in the feedback given in the 2023/2024 engagement survey **[POL00448642].**

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156. POL has relatively recently commissioned a report from Grant Thornton into Board leadership and governance on 12 October 2023. The scope of the assignment included a review of governance design, procedures and practices at POL, to identify any gaps and provide considerations as to how they may be bridged in the context of the wider change programmes unified internally within POL under "*Project Ethos*". The purpose was also to confirm that practices are aligned with the role as set out by POL's shareholder, the Secretary of State for DBT, in POL's foundational governance documents, and general comparable good governance practice in the market. A copy of the Grant Thornton report dated 25 June 2024 is at **[POL00446477].** That report concluded in some detail that POL diverges from UK Code principles in not being led by an effective board who promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society and that the board does not establish POL's purpose, values and strategy, and satisfy itself that these and its culture are aligned. The summary findings include that:

156.1 There is a lack of ownership of culture/the people agenda at the Board level and strategy design is influenced by Government funding cycles, hindering long-term planning; and

156.2 ambiguity in decision-making, from lack of strategic criteria (and poor reporting) creates risks in resource utilisation; and

156.3 simplifying decision-making structures and reviewing and communicating protocols and accountabilities is necessary; and

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156.4 there is a lack of visibility on trade-offs at the centre and connectivity across the business, leading to indecision; and

156.5 annual and three-year budgeting cycles do not support long-lasting investment schemes needed for successful delivery of strategic priorities; and

156.6 there is a culture of reluctance to make decisions due to fear of scrutiny, lack of clear accountability and poor management of underperformance; and

156.7 Over reliance on shareholder input and untimely agreement of reward structures also impact clarity around prioritisation and performance management; and

156.8 trust between Executive and Non-Executive members of the Board is low; and

156.9 too many operational decisions are coming up to the CEO, SEG and Board; and

156.10 there is a muddling of responsibilities and conflicts at the Board and confusion around roles, responsibilities, and authorities, resulting in a high cost of decision-making. This confusion permeates down the organisation and drives a lack of performance management; and

156.11 views were expressed as to a two-tier Board being in operation, where decisions are taken outside of the formal structure and without proper debate.

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Differing levels of visibility on Committee papers and minutes add to this, with not all NEDs (i.e. only Independent NEDs) having the same ability to access and read Committee papers and minutes; and

156.12 Continuous dialogue between POL and UKGI/ the Department for Business and Trade has developed, creating confusion and cultural and capability issues; and

156.13 The existing governance structure below the Board is extensive, leading to an "*untidy house*" at the enterprise level and clouding accountability; and

156.14 There is a need to create a more structured approach for rolling agendas, overhaul of management information for better Board discussions, and consider the purpose of the "*reading room*"; and

156.15 clarity is needed on whether actions have been resolved or removed due to inaction.

156.16 There are major failures of procurement by the wider executive within POL. For example, the Strategic Review update provided to the POL board in advance of the meeting on 4 June 2024 outlined the range of challenges faced by POL. One such challenge was the '*need for technological overhaul of core systems, with substantial delays and overspend on Horizon replacement'* [**POL00448624** at pages 109-121]. Due to a procurement governance failure, POL had overspent hence the matter was referred back

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to the board to seek retrospective shareholder approval which is required for expenditure in excess of £50 million. At the board meeting on 4 June 2024, it was highlighted that the reporting of procurement risk exceptions between the Audit and Risk Committee ("**ARC**") and the Board was inconsistent and that there were issues with the first line consulting procurement. It was accepted that this led to overspending on contracts and agreed that procurement governance needed to be reviewed **[POL00448648].** One specific example of a procurement failure relates to the overspending on the Morson contract. At the board meeting on 4 June 2024, it was confirmed that the board had been advised of the incorrect value of the contract and it was acknowledged that there needed to be improved coordination between legal, procurement and the business **[POL00448648].**

7. Please summarise your experience of the board's relationship with and approach towards subpostmasters (SPMs).

Attitude towards and engagement with SPMs

157. I am specifically asked about the board's relationship with and approach to SPMs. As I mention at the outset of this statement my references to PMs can be read as references to PMs and SPMs.

158. The board's understanding of PMs in recent times has improved since Mr Jacobs and I have been appointed as postmaster NEDs. However, I consider that having two PMs

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on the board is insufficient to challenge an institution the size of POL and to try to influence change.

159. I have observed the Board and wider executive do not have sufficiently strong relationships with the PMs, nor an adequate knowledge and understanding of the challenges for PMs. As I have mentioned, the board is reliant on how information is presented to it by the executive and so the attitude of the executive to PMs is also relevant to this issue. The wider executive do have conversations with some PMs however, from my observations, those conversations lack quality. On many occasions the conversations take place with a limited number of PMs again and again as the same PMs volunteer in response to requests for engagement from the executive. There is not enough effort made to engage with the wider group of PMs who feel disenfranchised.

160. Some members of the board will attend at Post Office branches sporadically however, the contact is limited. Most board members do not have experience of working as a PM and, therefore, do not fully understand how PMs businesses work, and the continuously evolving challenges faced by PMs. In my experience board members do not have contact details for PMs that they would be able to consult with or have frank conversations with. That it seen as the job of the senior leadership and those relationships are narrow for the reasons I have mentioned.

161. To make real change it is essential for everybody in the POL business to understand its front line - i.e. PMs. The board and the wider executive are PM-centric in name only. For example, I do not consider that the last two budget proposals for 2023/2024

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and 2024/2025 fairly remunerated PMs or allow for innovation to reduce costs in branches hence I objected to them. Both budgets were recommended to the board by the wider executive. I advised the board of my views, however both budgets were still agreed and signed off by the board and the wider executive along with funding for STIPs and LTIPs and salary increases for POL staff. I refused to sign off these budgets and advised the board and the wider executive that the budgets were not PM-centric and did not address the problems raised in feedback from PM surveys.

162. For POL employees there is a STIP and LTIP and inflationary pay increases. PMs and SPMs do not benefit from this. POL executives set weak budgets and yet, despite this, POL employees are set low targets, and they receive bonuses in relation to those targets. The POL employees are set targets for payment of bonuses which are too low or not linked to performance of role metrics. For example, last years budget and the previous years budget were both exceeded and bonuses were paid but PMs did not see any real term increases in their remuneration.

163. POL executives recommended that rewards through bonuses under the LTIP calculation be provided for the monitoring of complaints against PMs. Mr Jacobs and I informed the RemCo chair, Amanda Burton, that these complaints cannot be affected by POL employees and so this metric is flawed. Elliot Jacobs and I had an email exchange with Amanda Burton about our concerns about the use of this metric for the award of bonuses on 23 April 2024 **[POL00448390]**.

164. From what I have seen budgets are not professionally and ethically set by the wider executive in the best interests of the shareholder and, as a result, may not be approved

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by the board in line with directors' fiduciary duties. In particular, the budgets that are presented to the board contain easily met STIP and LTIP criteria and it is not readily apparent from the board packs what the budgetary impact of these criteria being achieved by POL employees will be, Mr Jacobs and I have challenged these budgets for the last two years, but our concerns have not held sway.

165. I recall speaking to the CFO at board meetings along with Mr Jacobs in late 2021 regarding PM remuneration. Mr Jacobs and I advised the then CFO, Al Cameron, that the current state of PM remuneration was unacceptable and in response I was simply told "*We're trying*". The pressing question for POL is how it can realign its products and move them in the right direction to be a fair reflection of cost for PMs with sufficient reward for PMs.

166. Mr Jacobs and had requested a product profitability study to be undertaken in 2021. At the board meeting on 7 June 2022 Mr Jacobs further enquired about a product profitability report and indicated that he had been advised by Mr Cameron that it was not available. Mr Cameron disputed this, highlighting that it was an exercise to run the report and that management were refreshing the report and that they would report back to the Board in July **[POL00448375].** In October 2023, Mr Jacobs and I attended a Teams meeting where the product profitability study was presented to us **[POL00448618]**. A summary version was provided to the POL board within the Business Plan for the financial years 2024/25, which was provided with the March 2024 board pack **[POL00448610** at pages 41 to 47**].** I am not sure why this took so long as it was not a particularly detailed piece of work.

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167. Mr Jacobs and I have also pushed for an increase in banking remuneration for PMs as we had received feedback from PMs that processing costs were too high. In fact, some transactions were actually causing a loss to PMs. In February 2022, at a board meeting, I highlighted that banking remuneration had been static for PMs since 2019 and encouraged update without delay due to the cost implications for PMs. Mr Cameron explained that Banking Framework 3 ("**BF3**") had recently been agreed and work was underway to update the value share for PM remuneration potentially from 1 January 2023 onwards, particularly on deposits **[POL00448374]**. The delayed approach did not take account of the pressing need of PMs to be paid fairly according to the time taken to complete transactions. At the board meeting on 18 August 2022, it was confirmed that BF3 would be coming into force as of January 2023 and that POL had been signalling to PM's that BF3 would be used as an opportunity to review banking remuneration. The minutes of that board meeting are at **[POL00448376]** and the board report is at **[POL00448787]**. The banking remuneration revision occurred in early 2023 but the changes implemented provided an unimpressive outcome for PMs despite how this was portrayed by POL to PMs. I had been informed that there would be a double increase in remuneration. However, when the time came for this to be implemented this was not the reality. PMs are remunerated for banking transactions in two stages, a flat rate fee and a fee based on the level of the deposit made (ad-valorem). The transaction rates which were doubled were the flat transaction fees but the ad-valorem element, which would have made a material difference to PMs, remained unaltered. It is the ad-valorem element of the transaction which costs the PM time at the counter with the customer and carries the risk of counting error and risk that the PM must account to POL for such an error.

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168. There is a considerable amount of distrust from PMs to POL. Sitting on the POL board has opened my eyes to why this is the case and I have seen a level of disdain within POL towards PMs. My perception of the structures of the Post Office is that it is like a caste system with PMs at the bottom of the pile, many of my PM colleagues critical and have a term for this: *"Postmaster discrimination*".

169. My experience at board level and within POL has been that PMs are viewed as less important than roles within POL despite the fact that they are the frontline customer-facing part of the POL organisation and given that the entire POL organisation is built on the goodwill of PMs. The perception within POL by some is that the PMs are the very bottom rung of the ladder.

170. PMs are seen as a cost rather than an asset and this is common language within POL. Insufficient time and resource have been dedicated to giving PMs the tools that they need to run their businesses and to promote the wider interests of POL. This needs to change.

171. There should be better engagement by the Board and by Senior POL Executives with PMs to understand the challenges that they routinely face and to be able to support them with these. When the Board does receive information concerning PMs these are often in the form of sensational stories. For example, recently an anecdote was brought to the Board's attention by the Retail Director, Martin Roberts, about a member of POL staff being locked in the basement of a Braford branch by a branch staff member, who was not a PM without a reason being given to board as to why this had happened. These horror stories are not representative of the day-to-day challenges to

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PMs in their branches and have the potential to distort the Board's view of PMs and trivialise their role.

172. A further example of POL attitudes towards PMs was the reviewing of the ATM programme and pay rates. ATMs may be removed from branches without PMs wanting this and causing loss of a PM income stream. MoneyGram payments have been reduced in recent times, and back-book payments to PMs based on how many telecoms customers they had have been removed. The contract between POL and PMs in relation to ATMs have also been made less favourable since the recent roll-out in 2022. Previously PMs received a fixed monthly payment with a further fee per transaction but now PMs are remunerated only by reference to transactions. PMs are worse off but POL is better off.

173. I have challenged the different types of Independent ATM deployer and POL ATM contracts for PMs with POL's banking director, Martin Kearsley, in an email chain starting from 29 June 2021 (11:18) **[POL00448367]**. I was trying to understand how, POL as a business, consults and engages with the PM population so that POL we can get balanced feedback from all types of branches.

174. A further reason for deteriorating trust from PMs is that, when a new Post Office branch is set-up, the POL properties team attend that branch and dictate to the new PMs how the branch must be laid out so as to ensure consistency with the POL brand and at significant cost to the PM. Suppliers of equipment are dictated to the PM in a manner that, in my view, is not always necessary or in the interests of the individual PM's business in each case. For example, at my Chorley Branch the POL property team

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wanted me to spend £1,000 on a pecan panel. I was told this was compulsory but, when I refused, the requirement was dropped.

175. Whilst POL can be too prescriptive in its approach to its PMs in some regards, in others it does not do enough. I have helped many PMs with their own retail operations and business plans and provided to them details of suppliers and planograms for gifts and stationery. Other PMs have been known to visit my branches for hints for their own operations given the high standards I maintain. This is something which POL could and should be helping its PMs with directly.

Drop and Collect **("D&C")** Strategy

176. POL operate drop and collect branches which are small independent branches hosted in the premises of other trading businesses. Essentially, these are drop off points for members of the general public to leave their post for collection by POL. The introduction of D&C branches is a contentious subject given that these types of operations have the potential to significantly affect the commerciality of more traditional Post Office branches. The first of these opened in around late 2021. For many PMs there are concerns that the creation of D&C branches in close proximity to their branches will be harmful to their business operations and livelihoods.

177. There has been a lot of discussion within the PM community regarding the D&C strategy. The POL board have trusted the wider executive to deliver this strategy, however, it seems to leave more PMs disgruntled every time a new D&C branch is opened. The lack of engagement with local PMs from when a site is identified to when

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a site goes live is, at times, unbelievable. PMs and their AMs tell me that they are often not notified. The sites which tend to be converted to D&C branches are often Payzone sites that are already owned by POL. Payzone is a third party that POL contracts with to offer bill payment facilities in its branches. Picking these sites is a lazy way for POL to try to hit the 11,500 branch criteria that the Government has set.

178. In mid-2022, the wider POL executive considered relaxing the exclusion zones in respect of D&C branches, reducing the distance from within 0.5 of a mile radius to within 0.25 of a mile radius of existing branches as detailed in POL document "Accelerating the Network Strategy: overview of options" [**POL00448625** at pages 105 to 112]. Mr Jacobs and I expressed concerns at this proposition. At the board meeting on 27 September 2022, I advised that my '*red-line'* was the reduction of the *'white-space'* proximity rules through the introduction of D&C branches. PMs had adhered to proximity rules for years; I highlighted how it would be perceived to change this now **[POL00448623].** At the board meeting on 6 December 2022, Mr Jacobs and I again raised concerns about the reduction of the exclusion zones and proposed that a guaranteed minimum level of remuneration be put in place for PMs should the radius be reduced **[POL00448621].** Due to the board not fully understanding the dynamic of Post Office branches and catchment areas it was very difficult for them to understand why this was an issue for PMs.

Automation

179. Post Office branches in supermarkets and also WH Smiths have recently pressed for automation in their branches. Most Post Office branches would benefit from automated

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machines for the weighing of post and the calculation of postage without PM involvement. I believe that the conversation about automation has only recently been progressed due to concerns that strategic partners may walk away unless this is done in the near future. Strategic partners have a collective bargaining power that individual PMs do not have and may be able to force progress on this issue when requests from PMs and PM NEDs have been ignored. It has been suggested at board meetings by the executive that POL may require PMs to pay the full cost of automation, but POL will meet that cost for strategic partners. If that decision were to be taken it would be a very disappointing two-tier approach that would discriminate against PMs.

180. Another area where PMs are not adequately supported by POL is the technical support helpline. Many PMs operate branches that do not keep to traditional opening hours such as 7-11 style businesses. The helpline is not always available within the opening hours of each branch. This could easily be addressed by creating online support for PMs. At the board meeting on 24 January 2023, I requested that an out of hours service centre capability be introduced but there seems to be little appetite within POL to provide this **[POL00448620].**

181. In my capacities as both a POL NED and as a PM I have a particular interest in helping PMs and SPMs to effectively run their businesses. This includes both POL business and the SPMs' and PMs' related commercial activities. Many PMs cannot survive on POL business alone and I do not feel that this is adequately understood within POL. PMs are simply advised to make their retail activities more profitable. However, the majority of PMs' time and effort is spent on Post Office business which does not allow PMs the opportunity to focus on ancillary retail activities.

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NBIT

182. Prior to my appointment as a PM NED, POL had commissioned its New Branch IT project which sits within the context of a wider Strategic Platform Modernisation Program. I was not on POL board at the inception of this project. Plainly, POL cannot continue with the Fujitsu Horizon IT system given the revelations of the Group Litigation and the evidence that this Inquiry has heard over phases 1 through 6. In any event, the Horizon IT system is antiquated and is required to be replaced.

183. Responsibility for the SPMP rests with the POL senior executive group who have oversight of the project and my understanding is that the POL Chief Transformation Officer, Chris Brocklesbury, is a significant figure within the modernisation program. I do not consider that the NBIT project has been well conceived or implemented. When I first assumed my PM NED role the anticipated budget for the NBIT was in the region of £280 Million and I am aware that POL requests for Government funding for the project currently stand at in excess of £1 Billion. Despite this, I don't believe that the project, as currently envisaged, can be an adequate replacement for the Fujitsu Horizon IT software and hardware in individual Post Office branches as it does not appear to have been designed to address the long-term future needs of PMs and POL customers.

184. I have mentioned elsewhere in my statement that there is also in the region of £30 Million in hardware being stored by POL at cost awaiting the NBIT program reaching a stage where it can be rolled out to Post Office branches. My concern is that this

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hardware will be antiquated before it is ever used, and considerable POL funds and public monies will have been wasted.

185. I am not across the entirety of the detail of the SPMP, but I have had the opportunity to consider the proposed hardware and software to be rolled out to individual Post Office branches. I am concerned that the project has been conceived without adequate consultation with PMs. In particular, the NBIT terminals lack functionality (retail sales button, dual log ins and customer facing screens) that would be of great assistance to most PMs. This additional functionality would come at some increased cost to POL but would quickly pay for itself. I am specifically concerned about the lack of the following functionality:

185.1 Customer facing screens on the NBIT terminals are essential to PMs in speeding up individual transactions in branch, however, they are not deemed essential by the team responsible for NBIT. POL is one of the most complex business organisations in the country today. The customer experience depends on the capability of staff member serving them in branch hence why a customer facing screen would help provide a consistent experience and significantly help to improve regulatory compliance. The PMs would not need to explain various options to customers when they wish to undertake a postal transaction. The available options and costings could be presented to the customer visually for them to select from a touchscreen. The speed of transactions would be increased by customers being able to complete details relating to packages they wish to post in order to comply with Customs requirements and leaving such matters for customers to complete directly

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would de-risk the transaction for the PM. The overall experience for the customer would be improved. This approach would also enable there to be a greater consistency of customer experience across every Post Office branch. I have raised this point at board meetings many times and I am simply told it has been raised at PM listening groups in the past but that it cannot be funded. I do not know whether the listening group in question was before or after my appointment as a PM NED, but I was not invited to it.

185.2 I raised the issue of dual terminal log-ins with the Group Chief Information Officer, Jeff Smyth, in an email chain from 1 February 2022 (11:45) to 30 March 2022 ((11:54) **[POL00448371]** as this was a key issue several PM's raised with me. I did not receive any response to this correspondence and other issues and chased it up in an email chain dated 9 May 2022 copying in Lisa Harrington and Elliot Jacobs **[POL00448372]**. To the detriment of PMs this issue has not been resolved.

185.3 Most PMs have an expectation of a retail sales facility on the new POL NBIT systems. It would be a simple matter for the NBIT terminals and software to incorporate a separate retail function for PMs' own businesses distinct from POL business. The "*other postage*" button that currently exists in the Horizon system assisting PMs with retail sales will not be duplicated in NBIT. That function is important to PMs as is allows inputting of miscellaneous transactions without the PM having to log into a separate terminal. There would be no direct benefit to POL from this but assisting SPMs and PMs in their own commercial activities assists POL too by creating more sustainable

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Post Office branches and freeing up PM time to develop the Post Office element of their businesses.

185.4 The weekly balancing of stamps stock, the possibility of stamps missing along with the time taken to process customer purchases of individual stamps of different denominations are all issues for PMs. There is not facility within NBIT terminals such that customers are able to purchase stamps by selecting the number and denomination that they require from a touchscreen and the required stamps them printed in the POL branch. I do not believe that sufficient consideration has been given to the benefits of this within consultations with PMs during the development of the NBIT program.

186. Although I am very strongly in favour of developing technological solutions to assist PMs to operate their business and promote the interests of POL it would be easy to overlook that a significant number of individual Post Office branches are very rural or in isolated areas. The PMs and SPMs serving those communities may not be IT literate. The introduction of digital platforms such as the POL branch hub intended to facilitate PM management of their branch data is a real issue for some PMs and SPMs. Some Post Office branches operate in areas without a strong broadband signal and those PMs and SPMs are not currently being adequately catered for and supported by POL.

187. Retail path clearing and retail transformation programme ("**RTP**") are programmes which POL has set up in order to get its branches ready for the new NBIT systems. The ledgers in each branch must balance in order to transition over to the new systems

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but there will be many modest discrepancies across lots of branches which have accumulated over time. At the 6 June 2023 board meeting Mr Jacobs and I raised concerns regarding the tone of the communication with PMs about this and the culture of this programme **[POL00448617]**. We were both in agreement advising the board and the wider executive that the programme felt like and would be perceived by PMs like the investigations of the past and that the matter needed to be approached sensitively. I also queried the costs involved and whether POL had the internal capabilities to execute the project effectively with the right approach. As it has been described to me RTP sounds very similar to the historic events where POL investigators would go into Post Office branches that have led to the setting up of this Inquiry. The imbalance of power within POL makes life very difficult for PMs to challenge POL decision-making on issues such as this as we have seen in the past with Horizon IT system issue. It is important that there are PM NEDs such as me and Mr Jacobs to raise concerns about these matters with the board and wider executive. The RTP programme has not started as there is no implementation date for the new NBIT IT systems, however, this is a programme which I am concerned could possibly rapidly spiral out of control and I am concerned that history may repeat itself. The wider executive has still not provided a plan on how this programme will be executed in a fair and transparent manner and this is still a live issue for the board.

188. I have a further apprehension which is similar to my concerns about the implementation of the RTP programme. I am aware that POL staff have gone into branches with instructions from POL to record stamps onto branch systems to match data held by POL. I believe this has been done in approximately fifty branches to date. The reason given for this policy was to ensure the POL ledgers balance. From my

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understanding changes are made to ledgers without consultation or verifying stock levels in branch. In some cases, PMs were not even aware of the stamps that were being put onto their ledgers because POL staff had their own ID log-ins. In a private NED meeting, POL's Retail Director, Martin Roberts, advised me he was aware of this but did not come back to me with any explanation of the policy or to assuage my concerns that the practice had echoes of remote adjustments to Horizon IT ledgers. My words to Mr Roberts were that this practice was more brazen because Fujitsu made adjustments to data via the back door however, POL staff are going in through the front door and making changes to financial records without PM understanding or consent. Branch accounting data is simply overwritten leaving it for PMs to raise any discrepancy via the review and dispute function in the Horizon system. This is not the way to address this, any data regarding discrepancies should be shared with PMs and consultations taking place prior to implementing changes. POL should not be adjusting PM records unilaterally whether it is appropriate to do so or not.

PM remuneration and terms

189. There was a major reorganisation of the Post Office network from 2012 under the Network Transformation programme. At that time PMs were offered financial incentives to leave or remain on less favourable conditions. All PMs were offered to option of a payment to leave the POL branch network or to transform their branches. The nature of the transformation depended on the size and location of the branch and customer sessions that determined whether a branch was either a "*local*" or a "*main*" The programme required participating PMs to take up contracts which resulted in them operating either a local or a main branch.

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190. POL representatives were incentivised to encourage PMs to proceed with the transformation. Many PMs are still very upset at the way in which this programme was implemented and feel they have suffered detriment by being forced to take up local contracts when they consider they may constitute main branches. The difference between a local and main branch contract for PMs is that main branches are paid on average 25% more than the local branches. To an extent this is reasonable as main branches have a physical footprint and physical counters with dedicated staff to serve POL customers and, therefore, they have higher overhead costs unlike a local branch which can also, for example, operate as convenience stores with POL services as an "*add-on*". The implementation was not well managed at the time and caused a degree of resentment among some PMs.

191. The broad impact of the new terms for PMs in local and main branches was to remove core payments. Whilst per-transaction payments to PMs by POL increased the overall effect on PMs is lower income. If an individual branch increases its footfall and number of transactions then a PMs income would increase as would POL profits, however, the risk that the number of transactions would decline affected PMs disproportionately to the impact on POL. PMs have no control over POL branch or marketing strategy or pricing to affect demand for POL services or to have any meaningful impact on their own personal profitability. The safety net of a base level of core payments to PMs for essential community Post Office branches was removed and not adequately replaced. Some legacy branches still do receive fixed payments but not to the levels prior to introduction of the Network Transformation Programme. The Network Transformation programme resulted in an escalation of the mistrust and lack of confidence PMs feel

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towards POL, including its board and executive which has obviously deteriorated further given the revelations about historic investigations and prosecutions.

192. As I have mentioned earlier in this statement, there has been no real pay increase in PM pay since 2015. The setting of budgets within POL is too broad in my view and there is insufficient consideration of the financial pressures on PMs and the viability of their businesses. These factors are crucial to the future success of POL.

193. My considered view and that of other PMs is that POL staff salaries should be linked to PM pay as this would ensure the executives had "*skin in the game*" resulting PMs receiving a fair income.

194. In my view, PMs are not paid fairly for the investment in time in work that is done on the post office counters. For example, a PM who banks £500,000 would receive around £1,000 remuneration which does not cover the PM's costs of counting that volume of cash, storing it and assuming the risk of forgeries or manual counting errors.

195. From September 2024, POL will be introducing a 5% payment for operational excellence per branch. PMs are hampered in achieving the stipulated performance thresholds as they do not have the equipment, they need to reach them and are currently required by POL to fund the purchase of any equipment themselves rather than this is being a centrally funded cost. There is, for example, a lack of sufficient and adequate equipment for cash counting. This issue was specifically raised with me by a PM on 6 August 2024 and it is an issue I directly experience in my branches **[POL00448605].**

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196. Furthermore, performing calculations manually inevitably leads to balancing errors which count against PM in the calculation of "*excellence*". As an award-winning operator of seven Post Office branches, six of those would not reach the 5% excellence standard despite operating very well.

197. The operational excellence metrics applied affect operators of multiple Post Office branches disproportionately as there is more data to monitor and they tend to provide more banking services which carries a greater risk of data errors. I feel the operational excellence payment is unfair in its implementation because PMs have done the work and may not be remunerated rated for it if the metric isn't hit. I have raised this concern with the relevant stakeholders. The thresholds for excellence are very high and, if they are to be implemented, I advised the Remuneration team to consider setting lower thresholds, at least initially, with them increasing over time. Also, I do not consider that the level of the potential financial reward is sufficiently reflective of the costs to PMs in the operation of their branches or the effort required to achieve the thresholds set.

198. I also consider that there is not effective communication of pay awards to PMs nor is sufficient notice provided to PMs of operational changes which affect their business. This is particularly true concerning annual budgets. Most recently, I have personal experience of being given less than 10 days-notice of changes to my budget for the 2024/2025 financial year. With the POL revisions and increase in wage costs I was left with an operational shortfall in the region of £50,000 – £60,000. I had only ten days to identify ways in which efficiencies might be made to offset the shortfall and to

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try to keep branches profitable. For me and for other PMs this makes it very difficult to manage branch budgets and staffing.

199. POL has a historic community and social function that distinguishes PMs from the holders of other commercial franchise arrangements. In my view PMs should receive a greater degree of protection and benefits from POL more in line with the terms on which POL employees are contracted. PMs are in a unique position where they have to balance the branch economics which can be highly complex whilst remaining commercially viable and fulfilling a social purpose to their communities. Greater protections for them are important and overdue.

POL bonuses

200. On 23 April 2024 (11:53) I contacted the Remuneration Chair, Amanda Burton, by email **[POL00448390]**. in response to her invitation to provide input on LTIP. I suggested it would be better to calculate LTIP by reference to the following factors:

200.1 PM profitability

200.2 Percentage increase in PM remuneration by reference to set thresholds factoring in future inflation.

200.3 Reduction in central overhead costs

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200.4 Increase in customer footfall that leads to profitability (for example, POL currently operates British Gas transactions that are unprofitable at 7p per transaction, but which bring in footfall).

200.5 Conclusion of profitable commercial deals

200.6 Improvements in PM annual survey results

200.7 Evidence of positive cultural change judged from the perspective of PMs.

201. I expressed my disappointment with the executive's alternate suggestion that targets be linked to reducing customer complaints as PMs have limited control over customer complaints. I also offered to provide similar input for STIP. Ms Burton then went away to discuss my input with RemCo. I raised this issue against with Ms Burton at the June 2024 Board meeting and she advised me that POL had to stick with the STIP and LTIP criteria as it had been signed off by RemCo. I find this extremely disappointing because it is obvious to me that the approach is wrong.

202. I requested more information about STIP and LTIP from the Remuneration Chair, Amanda Burton, and she replied to my request by email on 6 June 2024 (09:45). A copy of her email to me is at and it sets out the metrics by which the annual bonus scheme is calculated **[POL00448396].** The LTIP metric for the senior team for 2024/2025 included reaching a 30% threshold for positive responses from PMs to the question *"how would you describe the relationship you have with POL and how supported to you feel"* which would represent a 5% increase on the previous year's

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survey results if achieved. This is further evidence that the focus of POL is not on its PMs. In my view PMs are underpaid and are not sufficiently incentivised within the structures of POL. It is apparent that POL profits have been and continue to be allocated elsewhere.

PM representation

203. Part of the difficulty in affecting the cultural change required is the lack of a properly functioning union of PMs. PMs are not protected by any independent interest group or union. As such, POL does not allocate its profits sufficiently in the interests of PMs. I consider this to be grossly unfair. When it comes to POL staff, they have the benefit of union representation, and this is reflected in their remuneration and employment terms and redundancy packages. My view is that the redundancy packages that are offered within POL to its employees are incredibly generous and not in line with commercial organisations and need to be reviewed.

204. POL engages with the NFSP but there is no discussion with PMs about their remuneration or protections. The terms are simply dictated to the NFSP with limited background information being provided. Also, the NFSP doesn't have the full support of the PM community for the reasons explained elsewhere in my statement and in the third judgment of Mr Justice Fraser dated 15 March 2019 in the Post Office Group litigation **[AMCL0000013].**

205. PMs have insufficient representation and lack of real voice within the POL organisation. PM listening groups do take place, but many PMs say to me that these

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are a little more than tick box exercises and, in my experience, the outcomes of those groups do not lead to any meaningful changes being implemented.

206. The views of the PMs are not always listened to, and the hierarchical structures of POL does not allow for PM concerns or suggestions to be communicated easily or to give them the attention that they deserve. Generally, PMs are advised to raise any issues with their AM. The role of the AM is to support PMs. AMs look after approximately 100 to 130 branches each. AMs have limited powers to affect change and often hit glass ceilings. AMs are, responsible to RMs who are, responsible to the Retail Directors. There is also a Retail Operations Director above them and then a Group Chief Retail Officer. POL has many unnecessary layers of management. I attach an organogram which details the management structure of POL, which may assist the Inquiry **[POL00448640].**

POL's Attitude towards PMs

207. Many within the POL business shy away from dealing with PMs and hide behind email exchanges with them rather than direct effective contact. There are too many layers of management between PMs and those who are able to make decisions swiftly to react to PM issues or proposals for improvement of the operations of the business of POL. I feel that the POL Board does not sufficiently ask the right questions of POL's executive teams to police the levels of engagement by those teams with PM's. For example, I have had to become involved in a branch to the partner of deceased PM when they reach out to me for assistance via VOP (Voice of the Postmaster). I had email correspondence with POL's Retail Engagement Director, Tracey Marshall, and

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the Vice, Chair of VOP, Brent Jay, about this issue affecting Yateley Post Office in June 2023. Although I am happy to have helped this is not an issue which should require my attention.

208. Yateley post office was run by a husband-and-wife PM team and the husband died suddenly in June 2023. His wife was given a torrid time by POL. This started with her contract being terminated without her consent ten days after her husband had passed away. When she was given a new contract, the information provided to her about how her remuneration would be calculated was not clear and she was very confused and upset about how POL had treated her in such difficult circumstances. It took several weeks with my assistance to get to a position of clarity. One of the major hurdles was that without her husband she needed an extra member of staff but did not have the means to pay for this. I contacted POL's Network Strategy and Delivery Director, Martin Edwards, who in turn contacted POL's Head of Postmaster Remuneration Development, Paul Liddiard, who were both fantastic in helping get this short-term financial help for this PM, but the process should have been more streamlined.

209. What was so upsetting about this particular story was that this case about a deceased PM must have been handled by approximately ten individuals within POL before I became aware of it, and nobody had taken care or ownership of the situation and assumed responsibility to resolve it. I spoke about this with the CEO, Nick Read, and he made time immediately to call the PM and to apologise for the way she had been treated. What this story highlighted to me was that the culture of POL has not changed sufficiently yet and that PMs still find themselves vulnerable and isolated in situations with no support from POL: despite POL being reliant on the continued hard work and

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goodwill of its PMs. The PM in question told me that, if I had not been on the POL board, and without assistance from the VOP, she would have had nowhere to go in her time of greatest need.

210. After everything the PMs widow had been through, she offered to help POL set up a bereavement committee for PMs of the future who may be affected by this. She was ignored and nothing still exists.

211. Despite this, once the situation had been resolved at the Yateley Post Office, this PM received notification from POL that a D&C branch would open near her branch. She was absolutely devastated and advised me her branch would no longer be profitable.

212. Communications were put out by the POL Network Provision Lead to customers advising of a new D&C location near Yateley branch. I sent an email to the Group Chief Retail Officer, Martin Roberts, and Director of Retail Operations, Pete Marsh, on 4 July 2023 (22:07) **[POL00448379/ POL00448788]** to say:

"I am extremely disappointed after everything this PM has been through, we have put this communication out without informing her. This is unacceptable and she is fuming as it was shown to her by a customer. The number of issues this PM has been through shows we still have a very long was to go as a business. We need to ask some serious questions about our organisation and our people, are we really changing the culture within our organisation? Are we trying to be postmaster centric?"

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213. This D&C branch did not open due to pressure from myself and the PM and this was a positive result.

214. My experience has been that there is a degree of scepticism about the needs of PMs by POL teams. For example, individual branches will often be required to order large quantities of cash to satisfy orders that have been placed for collection. These requests are mostly met with a degree of distrust if the sums are large. An example of a request for supply of a large number of special delivery bags made by a fellow PM in the Bradford area during the Covid-19 lockdown. POL would not supply what was required and fortunately I was able to help him out by contacting a senior manager within POL who arranged to make an exception to policy and for a pallet to be delivered to him. PMs should not need to support each other with supplies of basic and essential supplies to operate their branches.

215. It is also relatively common for ATMs in branches to run out of cash or for stocks of foreign currency to run out and there be delays in stock being delivered to branches. This causes detriment to PMs which is not proactively addressed by POL.

216. The relationship between the PM and POL does not work on both directions. PMs are not compensated when stock cannot be provided to them promptly yet are required by POL, for example, to fulfil online currency orders within two hours.

217. It is striking to me that very few ex-PMs are employed within POL. Those individuals have a great wealth of experience about the issues affecting PMs and there is a loss of valuable experience and corporate memory by which I mean a loss of business

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know-how and operational experience which could anticipate, and address issues of the type I have described before they become significant issues.

POL Investigations Teams

218. Investigations into PMs within POL are not currently well handled, the whistleblowing team is monitored by investigators which feels to me as though they are marking their own homework, and this compromises the legitimacy of the entire whistleblowing process.

219. Some of the investigators who have been responsible for the investigation and prosecution of PMs in the past are now the same individuals as a point of contact with PMs for redress schemes in POL's remediation unit. This is obviously not acceptable to many PMs and does not evidence to them the cultural change that the POL tells them has taken place. For example, I was present at the Inquiry hearing on 2 March 2023 when Brian Trotter gave evidence of his historic role as a contracts manager which was suspending and terminating PMs contracts. I was shocked, given the terms of his evidence, to hear that he had ceased to work for POL receiving severance remuneration and was then re-employed by POL in historical matters unit dealing with Postmasters' claims, specifically the Suspension Pay scheme to compensate SPMs for being unfairly suspended without pay. I was equally concerned about the evidence to the Inquiry of POL lawyer, Mr Rodric Williams, on 18 April 2024 and email correspondence from POL's communications manager, Melanie Corfield and her continuing role in POL.

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220. The evidence to the Inquiry that I have mentioned prompted the issue of past roles of current POL employees to be raised at the board meeting on 28 March 2023. That then triggered investigations into problematic past roles of POL employees. As set out in the board report concerning the Inquiry dated 28 March 2023 the fact that Mr Trotter and re-joined left POL and re-joined garnered interest including press queries and a Freedom of Information request. I understand that POL does not waive privilege in that report. At the board meeting on 28 March 2024, the issue of Brian Trotter's evidence was raised, and it was confirmed that management were reviewing '*People'* processes and changes to these, and that an internal investigation was being initiated to review the full list of witnesses to the Inquiry and to consider the risks associated with current employees providing evidence **[POL00448619].** POL have not waived privilege in that section of the board minutes and have redacted the document to be provided to the Inquiry. POL thereafter commenced a past roles project to review all employees to ensure no conflicts exist and that current employees pose no risk to either the integrity and independence of the work being done by POL, the public and PM confidence in that work, or employee wellbeing. The Group Executive Report into Past Roles Review dated 17 January 2024 is exhibited to my witness statement at **POL00448615**. As part of that review, those who had undertaken roles historically linked to the subject of the Inquiry were categorised as '*red'* employees. At the board meeting on 29 April 2024, I queried whether re-deployment was appropriate for '*red'* individuals as opposed to exiting these individuals from the business. Lorna Gratton and I shared our preference that '*red'* employees be offered voluntary redundancy and the Chair agreed with the approach **[POL00448649].** At the board meeting on 4 June 2024, I expressed concern at the timing of the past roles review and whether it was being executed as quickly as it could be **[POL00448648]**.

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221. When it is considered appropriate to investigate a PM, POL continues to be the body that determines the terms of reference of those investigations. Often, PMs will be suspended prior to those interviews taking place without understanding the reasons for that suspension. PMs are still not shown evidence relating to investigations into their branches prior to investigation interviews being conducted by POL investigators and no legal representatives are permitted by POL at those PM interviews.

222. I have discussed my concerns about the current investigation approaches with POL's former General Council, the current interim General Counsel, Sarah Grey, and the director for complex investigations, John Bartlett, at a drinks reception on 27 October 2023 in the POL, Wood St Office. We also discussed my view that PMs should be involved in the investigations process and how some PMs should work part-time within the investigations teams to ensure that the tonality was right and that the team would have a better understanding of PMs. It would also be a more effective way of dealing with the entire investigation process. Having PMs involved in the process could more readily identify where genuine errors can occur within branches instead of the guilty until proven innocent approach which has caused so much damage. Following this discussion, on 6 January 2024, I emailed Mr Bartlett to query whether he had thought any further about the issues I had raised at the drinks reception **[POL00448616].** I did not receive any response from Mr Bartlett.

223. I have personal experience of a POL investigator who is still employed by POL coming to one of my branches and making accusations of fraud against my counter staff. On that occasion the counter staff contacted me, and I spoke with the investigator and the

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issue was swiftly resolved as a simple Horizon training issue. When the investigator attended at the branch my staff told me that their first words where "*I am closing you down, I am closing you down*" before making any investigations. The approach was very aggressive and heavy-handed just like the ITV drama portrayed. My staff member was absolutely shocked and shaken because she thought she was going to lose her livelihood. The incident was unpleasant to say the least, and these sorts of incidents should not be happening throughout the POL organisation.

224. There have also been well publicised articles quoting the recorded comments of the POL executive, Richard Taylor, that some PMs "*borrowed*" from POL monies held in their branch safes and others "*downright stole it*" **[POL00448403]**. These sorts of statements are incredibly damaging to the relationship between POL and its PMs, and I do not agree with them at all. There must only be a very limited number of prosecutions correctly brought but the tone of the comments did not reflect this. The wrongful perception that all PMs are to be regarded as dishonest almost as a default must no longer be an aspect of the culture of POL.

225. My own view is that, as a minimum, POL should not be able to pursue private prosecutions against PMs. At meetings of the board of POL I have advocated for no further private prosecution of PMs. This approach would be in the interests of POL as it would represent a clean break with the policies of the past and show a commitment to cultural change. I made this point in an email to Mr Railton dated 14 June 2024 (10:50) **[POL00448398]** stating:

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"At the time [of the October 2023 POL board meeting], *both Elliot* [Jacobs] *and I were clear that the post office should not be involved in prosecuting. BT* [Ben Tidswell] *rightly asked for the team to come back to the board with case studies to prove how the new policy could be implemented, but this never happened. I am unclear as to why this point has been approved in the minutes when in reality the action needed to approve it has never come to the board. Can we reopen this item and correct it at the next board meeting? This is another example why there is misinformation within our business, as there are times when the board is not approving items but people within the business believe they did".*

226. In 2023, following complaints raised by former PMs in the Human Impact Hearings heard at the Inquiry the POL Inquiry Team began a programme of work known as "*Project Phoenix*" to review thirty historic cases as well as an additional two matters identified by POL's counsel, Peters & Peters). These complaints specifically referenced allegations of wrongdoing on the part of current and past POL employees involved in PM cases. The scope was then extended to forty-three cases in total to cover all cases involving any current POL employee or cases which had been used as case studies by the Inquiry.

227. By letter dated 23 February 2024 **[POL00448611]** POL told the DBT Select Committee that each Project Phoenix case review is undertaken by an experienced criminal investigator newly recruited to the business to determine (i) Quality and effectiveness of investigations undertaken against national standards or codes of practice (ii) Conduct of current and former employees who were investigators in these cases and (iii) Lessons learned to inform current and future practices in relation to policies /

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procedures / ways of working. Affected Postmasters were contacted in 2023 and asked to participate in the case reviews to provide further context and evidence. POL reviewers got in touch with and were working to arrange interviews with affected PMs from February 2024. That letter stated POL had reviewed thirty years of employment history and only five people who historically had the job title '*Investigator'* or '*Investigation Manager*' remain employed by POL and none of them are investigation work today. The past roles review was considered at the board meeting on 4 June 2024 **[POL00448648]**. It was confirmed that twenty-three employees were classified as '*red'*, meaning they had undertaken roles historically linked to the subject of the Inquiry, Of these twenty-three employees, ten had opted for voluntary redundancy, two wished to be re-deployed and the remaining eleven wished to remain in their roles. Whilst those individuals may not have been held the job title *'Investigator'* or '*Investigation Manager',* I consider the assertion made by POL in the letter to be misleading.

228. The POL board receives regular updates on Project Phoenix and the past roles of current POL employees from the current Group Chief People Officer, Karen McEwan. Those matters are under regular review with regard to advice received from Leading Counsel and with Ms McEwan's team dealing with these issues there seems to be a lot more control and I have greater confidence in how matters are being progressed because the quality of the update information to the board has improved.

229. The culture of POL is such that PMs who report wrongdoing or make complaints are concerned that they will be treated less favourably than other PMs by reason of having

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brought matters to the attention of POL. In my experience the dramatization of the PM experience in the ITV drama captured this accurately.

230. There remains a culture of fear in the organisation. I have become concerned myself upon being asked to provide evidence to this Inquiry and to the parliamentary select committee having previously been declined applications to operate Post Office branches at several locations.

231. Regarding my application for a Post Office in 2018, a senior manager instructed a junior colleague to change my initial interview scoring by a panel of three independent POL employees to affect the outcome. I appealed the decision as I believed my interview and premises were far superior to the score allocated, and I was successful. It was revealed to me during the appeal process that the scores had been altered. There was no accountability for the senior managers' actions. I have requested the documentation in relation to this from POL, but it has not been provided in response to my request. I have raised this unprofessional way of working to various senior executives and board members, but none took interest.

232. Due to the imbalance of power that exists within POL I am concerned that my evidence to this Inquiry may be held against me by those with power over my continued operation of Post Office branches in the future. I have not allowed that concern to affect my evidence as I want to ensure that POL is around for many generations to come, delivers fair compensation to previous PMs affected by the Horizon IT scandal and looks after present and future PMs.

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233. I have operated my businesses within the structures of POL for a long time and although the POL business has its shortcomings and challenges, I am committed to trying to address these and to improve matters for PMs, POL and the communities for whom Post Offices are essential.

The PM Director

234. I was advised by former PM director, Hithendra Cheetirala, that there was not going to be a PM survey in 2023. In response Mr Jacobs and I pushed this item up the board agenda which resulted in the survey taking place. Mr Cheetirala advised us one of the reasons for the business not wanting to conduct the survey was a fear of the anticipated negative responses.

235. I also offered to support Mr Cheetirala with his objectives as PM director since his appointment in September 2021 in trying to help set him up for success given that the understanding of his role was limited among PMs (my email to Retail and Franchise Network Director, Amanda Jones, in the chain 15 November 2021 (11:50) to 17 November 2021 (17:32) **[POL00448369].**

236. In my regular calls with Mr Cheetirala, he would often express his dissatisfaction with POL in terms of culture, ignorance and a lack of appetite to help address issues that affect PMs. He would also mention how he felt ignored, blocked and excluded from certain conversations. Mr Cheetirala would mention how duties including responsibility for engagement with the NFSP and PMs and input into the POL grant framework were taken away from him once the Retail and Franchise Network Director, Amanda Jones,

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left and how he felt unwanted within the business. I raised this with the board and the CEO, Nick Read, took this as an action point to help Mr Cheetirala get back on track. My understanding is that Mr Read has delegated this function to the postmaster engagement team but nothing materialised. Mr Cheetirala' s term as PM director came to an end in December 2023 without him making any real impact unfortunately and he was replaced in that role by Mark Eldridge.

PM Surveys

237. The results of the most recent annual PM survey are not good again. The survey data clearly shows that the majority of PMs are not happy. Despite this, the PM engagement team asserted to the contrary at the strategy day that took place on 9 July 2024. Although not recorded in the minutes it was certainly discussed when the PM engagement team left the meeting, and the board came to the contrary view in line with the data. It is apparent from those results that that PMs feel underpaid, undervalued and overworked. This is also my personal experience and that of my staff working in the Post Offices that I manage. This highlights the cultural flaws and professional deficits that still exist amongst some POL employees when it comes to PMs.

238. There has not been sufficient recognition within POL that PM morale is very low and has been very low for quite some time. For example, Elliot Jacobs (PM NED) had to contact the Group Corporate Affairs, Communications and Brand Director, Richard Taylor in December 2021 to point out to him that the jolly Christmas email to PMs was "*going to land on some on the worst Christmas trading that Postmasters have ever*

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experienced" and that "*There is no acknowledgement of how bad it is or that we know they are struggling…I am deeply concerned this missing the mood of the front line by about a zillion miles."* [Email chain 22 December 2022 (11:54 to 13:09) **[POL00448377]**.

239. Annual PM research was introduced by POL in 2021 to try to understand PM sentiment and key priorities and to help POL plan for the future.

240. The annual postmaster research survey conducted in March 2023 yielded 1642 responses over a 4-week period and conclusions drawn from these responses were summarised in a "*Postmaster Sentiment Tracking*" document produced for the POL board in May 2023 **[WITN11180105].** That document was considered at the 6 June 2023 board meeting and the conclusions were:

240.1 34% of respondents felt like a valued and equal business partner (down from 43% in the previous year).

240.2 40% of respondents felt well supported by POL (down from 54% in the previous year).

240.3 There was a 12% reduction in respondents that feel that POL are genuinely trying to improve the relationship with PMs and only 30% agreed that POL was genuinely acting with transparency.

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241. Later in 2023 a PM pulse survey was conducted. 1,751 responses were completed by PMs and 949 left verbatim comments for review. A report was produced in November 2023 from which the following conclusions were drawn **[POL00448634]:**

241.1 Compared to March 2023 there was a significant increase in the proportion of PMs pointing to a valued/equal business relationship and a decrease in PMs selecting the bottom of the scales in the Pulse survey;

241.2 There was a significant increase in the proportion of PMs feeling supported and a corresponding decrease in the number of PMs selecting the bottom end of the scale;

241.3 Statements which are indicative of trust between PMs and POL saw a significant improvement in the Pulse survey compared with earlier in 2023; and

241.4 Remuneration rates are still the most mentioned issue, but also the need for transparency/honesty and to work closely with PMs and branches.

My view is that this increase in positive responses represented only a short-term positive reaction by PMs to the introduction of a 15% bulk payment for online platform products that had recently been introduced by POL.

242. On 4 April 2024 (17:21) I sent the results of the 2024 Postmaster Sentiment Survey to the POL board by email **[POL00448397].** Engagement had increased from 1642

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responses to 1,917 responses although this is still a relatively modest proportion of the overall number of PMs, which is around 7,000. The results of that survey reverted to about the level of the 2023 annual postmaster research survey in that:

242.1 PMs are more likely to believe that their relationship with POL has declined, but views have polarised, with the proportion giving the top rating increasing. The same was true when PMs were asked whether they felt supported by POL.

242.2 Trust in POL declined across all responses compared to the 2023 Pulse Survey to return to being in line with the 2023 Postmaster Sentiment Survey.

242.3 Unsurprisingly, initiatives which have a direct impact on branches have the highest awareness and are perceived by PMs as most useful and the most helpful interactions with POL are those which directly impact the day-to-day running of PMs' businesses.

242.4 Many Postmasters still don't feel heard, and the level of remuneration is most poorly rated.

243. The responses to the 2024 Postmaster Sentiment Survey have been analysed by POL and I exhibit at **POL00446704** the POL internal document breaking down the significance of the responses. That analysis speaks for itself, and I note that "L*eadership and Culture*", "*Reputation and trust*" and "*Future strategy*" have been identified as the main themes for improvement and that remuneration remains PMs

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top driver of positive sentiment towards POL and the area with the lowest perceived improvement against the previous years survey results.

244. On consideration of the report the survey results do not look as bad as they might, but I believe that the information has been massaged in the way that it has been presented to soften this blow. I anticipate that, if the individual survey responses were considered, the comments and feedback from individual PMs would be unwelcome reading.

245. I raised the issue of the PM survey results with the board at the NED only meeting on 4 June 2024. NED only meetings are typically not minuted and no minutes were produced for this particular meeting. The survey reports have been circulated to the entire board and there are plans to discuss the steps that can be taken to address the results at the next board meeting.

246. The UKGI Representative, Lorna Gratton responded to my 4 April 2024 email which had attached the 2024 Postmaster Sentiment Survey results to say that they were interesting: "*Especially the polarisation of it. As always, it's hard to disaggregate the impact of remuneration of declines (due to overall falling revenues and volumes) and the wider brand trust, with the actions of POL / retail team directly (though I accept that on the rem side they're clearly linked).*" (email 6 June 2024 (11:14) **[POL00448397]**.

247. At the POL strategy day on 9 July 2024 the survey data analysis presented by the postmaster engagement team were similar to what the HR team presented for the senior leadership. The HR presentation was delivered by a HR manager, Tim Perkins,

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and he identified levels of dissatisfaction within the senior leadership of the organisation in his presentation in red text indicating a negative. The postmaster engagement team highlighted the opposite with postmaster satisfaction in green text as a positive, but the two data sets were very similar in terms of overall satisfaction / dissatisfaction indicated. The board were highly critical of the presentation made by the postmaster engagement team which was transparent in its manipulation of the data.

248. PM engagement with surveys is also troubling and the level of PM survey responses declines each year. My recollection is that in 2024 approximately 1,500/1,600 surveys were received back from PMs out of approximately 7,000 PMs. PMs are not incentivised to respond to the survey, and this could be done in any number of ways by POL. I do not know whether incentives such as small cash payments or prize draws or similar have been considered for legality or practically, but this strikes me as one way that participation might be encouraged. The responsibility for encouraging PM engagement with the survey process lies with the POL retail team and the evidence is that the focus on this and/or the effectiveness of any efforts in recent years has been lacking.

249. Declining PM engagement with POL surveys is a concern because it does not provide for an adequate sample for POL to make effective decisions for change in PMs interests and it reflects a dysfunctional relationship between PMs and the POL. The danger to POL is that PMs consider that completion of these surveys will not lead to any meaningful change and so they do not bother to complete them.

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250. When the data from the surveys is collected the results go the POL retail team for them to present that information in their reports for publication. The reports are then circulated to PMs as part of the weekly news update emails that are sent out to PMs. I feel the exercise is not given the prominence and the attention that it deserves with serious aims to help improve on the issues raised. Rightly or wrongly, many PMs feel that the collection of this data and any response to it is not important to POL and is a tick box exercise.

251. The surveys have also not always been devised from the perspective of enabling POL to consider variations in PM responses year on year. If the questions change year on year across the PM surveys, then it is very difficult for the exercise to be meaningful. Those analysing the responses for POL are not comparing like with like. More appropriate questions are an important consideration for future surveys in order to receive clear feedback on the improvements which can be made to best support PMs.

252. I have also seen very little appetite from POL to engage further with PMs about their opinions about POL through surveys. POL seems to be content with the small sample of PMs who respond.

8. Please summarise your understanding and experience of the board's relationship with any key external stakeholders, such as the National Federation of SubPostmasters (NFSP), Communications and Workers Union (CWU), UK Government Investments (UKGI) and the Department for Business and Trade (DBT).

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NFSP

253. To my knowledge, and from my experiences on the board of POL, there is no significant active relationship between the board as a whole and NFSP. The relationship between POL and the NFSP is managed by the current PM director, Mark Eldridge who has the responsibility for raising any issues concerning the NFSP to his manager Tracy Marshall (Retail Engagement Director) who then raises them with Martin Roberts (Retail Director) who would then present them to board.

254. As an organisation the NFSP lacks independence as it is funded by POL. In my view the NFSP has not been as robust as it could have been in promoting the interests of PMs and SPMs. The third judgment of Mr Justice Fraser dated 15 March 2019 in the Post Office Group litigation (Case No: HQ16X01238) detailed his conclusions regarding the relationship between the POL and the NFSP from paragraph 574 onwards.

255. In particular that judgment refers to the confidential funding agreement between the POL and the NFSP dated 21 July 2015 drafted by POL's instructed solicitors, Bond Dickinson LLP, and the reluctance of POL (on advice) to disclose the terms of that funding agreement. The terms of that agreement included restrictions on NFSP taking any action or engaging in any commercial activities which bring, or are likely to bring, POL's name or reputation into disrepute under threat of funding being clawed back. Mr Justice Fraser concluded that:

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"The NFSP is not an organisation independent of the Post Office, in the sense that the word "independent" is usually understood in the English language. It is not only dependent upon the Post Office for its funding, but that funding is subject to stringent and detailed conditions that enable the Post Office to restrict the activities of the NFSP. The Post Office effectively controls the NFSP. The agreement also enables the Post Office to seek repayment of funds already paid to the NFSP. The NFSP is a company limited by guarantee and there was no evidence that it had any other source of funding. It is not likely to be able to repay any funds "clawed back" by the Post Office and therefore its very existence depends upon it not giving the Post Office grounds to challenge its activities. There is also evidence before the court that the NFSP has, in the past, put its own interests and the funding of its future above the interests of its members…"

256. Further to Mr Justice Fraser's findings I sent an email to POL's banking director, Martin Kearsley, dated 29 June 2021 (11:18) **[POL00448367]** to query levels of consultation and engagement with the PM population regarding ATM contracts which is a particular concern for PMs. I expressed my view that *"As per the GLO judgement our relationship and funding with the NFSP was criticized and you may be aware many Postmasters' are disconnected with the NFSP as they feel they do not hold us as an organisation to account."* When it comes to setting pay rates my perception is that POL feels it is sufficiently robust to consult with the NFSP as a body that it holds out as being able to challenge POL but, where NFSP is dependent on POL for its funding and continued existence, there are serious questions to be asked about accountability and governance.

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257. The NFSP are not taken seriously by POL, and they are not well enough equipped to challenge POL. This is evident from the fact that PM remuneration remains at the top of the list of PM concerns in survey results.

CWU

258. During the period I have been a PM NED since 3 June 2021 I have not had any interactions with the CWU, nor do I recall the CWU featuring in the board packs prior to board meetings or having been discussed at board meetings in any significant way. I cannot comment on the board's relationship with the CWU other than to say I am unaware of any relationship. I recently attended a meeting on Tuesday 2 July 2024 that the CWU had been invited to attend to discuss the future of POL. CWU did not attend and did not give a reason or apology for not attending.

UKGI

259. I had a fantastic working relationship with the previous UKGI Representative on the POL board, Tom Cooper. When I first began my role as a POL NED Mr Cooper was the first to congratulate me by e-mail and was very welcoming.

260. Shortly after the arrival of Henry Staunton as Chair of the POL board, Tom Cooper ceased to be the UKGI representative on the POL board. I am not privy to the specific details, but I understand from board discussions that conversations around CEO bonus payments became tense and around the same time, in May 2023, Mr Cooper resigned as the UKGI POL board representative.

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261. Mr Cooper was succeeded by Lorna Gratton as the UKGI POL board representative. My view is that the board has a more difficult relationship with Ms Gratton than with Mr Cooper and that she is selective about who she provides updates to regarding the UK Government position on any given issue. Not all information is relayed to all board members. For example, there were well publicised exchanges between Henry Staunton and the DBT including the Secretary of State shortly prior to Mr Staunton leaving the POL board but my position on the POL board gave me no greater insight into those matters than the press reporting.

262. Ultimately, the UKGI POL board representative has an overwhelming influence on the POL board. The POL board has no visibility of communications between any given UKGI representative and the Government. There is no understanding of how the events of POL board meetings are relayed to Government departments such as the DBT or the Treasury.

263. Equally, the POL board's knowledge of Government decisions and the reasons for them is limited to how these matters are communicated to them by the UKGI representative.

264. I do not have any particular criticisms of any UKGI representative when it comes to the performance of their role, but I simply cannot express any view as I have no information available to me that would enable me to consider this.

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265. The DBT Select Committee refers to a 2023 POL Board report on the role of U KGI in the governance of the Post Office as per the 2018 Corporate Governance Code and the Corporate Governance Code for Central Government Departments. It is suggested that the report concluded that UKGI had an outsized influence on the Board, and I would agree with that conclusion. The DBT Committee was provided with a letter from Nick Read to Rt Hon Liam Byrne MP dated 23 February 2024, following a request from the DBT dated 22 February 2024 **[POL00448612]** for the provision of information **[POL00448611]**. That letter explains that the draft report contained sensitive views about the role and performance of the Board. It is suggested that, upon Mr Staunton's review, it was requested that the report be significantly revised and that it was discussed at the June 2023 board meeting. I cannot recall ever receiving a copy of this report or discussing it at board level.

DBT

266. To my knowledge there is no direct relationship between the POL board and the DBT or direct communications between the POL board and the DBT although Carl Cresswell (the director in the DBT responsible for Post Office policy) attends one POL board meeting annually. My perception is that this is a formality or convention rather than meaningful engagement. My experience has been that the relationship between Government and POL is managed through POL's relationship with UKGI.

267. I have had conversations in the last six months with individuals at DBT namely Carl Cresswell and the minister, Kevin Hollinrake, to raise my concerns that the business of POL is in a very precarious position and to express that I am committed to remaining

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on the POL Board to attempt to effect change within the organisation but feel ignored. I am committed to ensuring that there are sufficient levels of oversight before new PM NEDs join the board and to ensure that POL does not lose corporate knowledge. My understanding is that these are key themes within the Inquiry, however, this has not been adequately addressed by the key stakeholders within DBT, the Minister, or POL directly.

268. After the publication of the Times article dated 19 February 202 (which I refer to later in this statement) I was invited by the DBT Select Committee to provide an explanation as to what had happened and why events had resulted in that article being printed **[POL00448393]**. However, that response was not provided due to a General Election being called.

VOP

269. VOP has no official standing, it is an organisation comprising an informal collection of volunteer PMs. There is no official relationship between VOP and the POL, but I would be keen to foster a relationship between VOP and the PM NEDs who could act as a liaison between VOP and the board to grow into the same space as the relationship between NFSP and the board but not hindered by a lack of independence.

270. On 15 January 2024 I was copied to email correspondence passing between the Chair, Henry Staunton and the Vice Chair of VOP, Brent Jay. Mr Jay wished to meet with Mr Staunton to discuss the future of POL branches and requested that Mr Jacobs and I be in attendance (email 15 January 2024 15:13) **[POL00448538].** That email

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correspondence also enclosed a VOP press release dated 15 January 2024 which called for complete overhaul of POL and listing VOP's perception of POL management errors **[POL00448537].** Commenting on that press release Mr Jacobs sent an email to Mr Staunton on 15 January 2024 (20:02) stating it "*echoes very much the comments that we discussed on Sunday - clearly we are not losing the plot and real action is essential"* **[POL00448503].** Mr Staunton took advice from the POL legal team about meeting with VOP and POL has indicated that they do not waive privilege in that advice against the Inquiry. I do not believe that POL wish to legitimise VOP as a body representative of all PMs.

271. Recently there has been a limited dialogue between the VOP and the CEO, Nick Read, the Corporate Affairs Director, Charlotte Cool, and the PM director, Mark Eldridge.

Times Article 19 February 2024

9. Please consider RLIT0000201. Please set out in detail the matters raised in this article, the relevant background, chronology and individuals, and your account, including what caused you to believe that you were 'ignored and seen[…]as an annoynance' by other members of the POL board.

272. Firstly, the section of text quoted from the Times Article published on Monday 19 February 2024 (the "**Times Article**") in the Request is contained in a document prepared by the previous POL Chair, Henry Staunton. However, I can say that I agree with the sentiment he has expressed for the reasons I have given throughout this witness statement.

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273. The contents of the Times article relate to events which have become known as '*Project Pineapple'* within POL. That term was created by Mr Staunton, but I do not know why.

274. The background to the Times Article includes the publication by the POL CEO, Nick Read, of a letter to the Lord Chancellor and Secretary of State for Justice dated 9 January 2024 on the POL website **[POL00448381]**. That letter referred to "*today's Post Office's determination to ensure that proper redress is achieved for all of those affected by the business' abysmal behaviour over the relevant time period"* and indicating that thirty potential appellants to historic successful prosecutions had been identified and encouraged to bring appeals (in addition to one hundred and forty two resolved cases at that time) but stating that there were three hundred and sixty nine cases where POL would resist appeals, a further eleven cases under review and one hundred and thirty two where no decision could be taken without further evidence. I did not consider that this letter was reflective of the cultural change that POL ought to be demonstrating. This letter was discussed at a NED only meeting. Everyone was disappointed that this letter had been published by the POL CEO and my fellow board members also felt it reflected a lack of judgment.

275. Further background to the Times Article was the CEO using the term "*untouchables*" on at least two occasions to refer to POL's Retail Director, Martin Roberts, General Counsel, Ben Foat and the power held by POL's investigators. One such occasion was our meeting on the 18 January 2024 and the other previous occasion was in board meetings towards the end of 2023. This was a term which the CEO denied using when

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giving evidence to a DBT Select Committee, but other board members confirmed to me that they heard him use it too.

276. Yet further background to the Times Article is POL's inability to deal with individuals working within the business who were involved in miscarriages of justice against PMs in the past. Mr Jacobs and I have expressed concerns to the board about being ignored when we have raised this issue on numerous occasions at board level. I think that Mr Jacobs and I have been seen as an annoyance due to the challenging nature of our questioning about POL practices

277. Mr Jacobs and I discussed POL business with the then Chair, Henry Staunton, on Sunday 7 January 2024 in a call at 3pm. In that call, Mr Jacobs and I were critical of the performance management of the Retail Team and the Group Chief Retail Officer, Mr Martin Roberts, specifically that he was aware of POL staff going into branches and inputting stamps on PMs system and did not see this as an issue. We were also critical of the Group General Counsel, Mr Ben Foat, handling of whistle blowing processes and how so many of the individuals who had wronged PMs in the past were still working in the POL business and, shockingly, still involved in redress schemes for affected PMs. We were both concerned at the lack of accountability within POL and the continued activities and tone set by the senior individuals within POL's investigations teams who we had heard Mr Read refer to as '*untouchable'* in the board meeting on 18 January 2024 and a board meeting the towards the end of 2023.

278. I understood the term '*untouchables'* to be a reference to the inability within the POL organisation to remove these individuals from their posts despite them being involved

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in wrongdoings of the past or to curtail their activities and also a reference to their free reign to conduct investigations in any manner they chose without oversight i.e. a reference to Chicago prohibition-era police enforcement squads.

279. Mr Staunton had made a detailed note of our conversation which he recorded in an email that he prepared and sent to himself on Sunday 14 January 2024 (18:48) with the subject heading "*Project Pineapple*" (the "**Note**") **[POL00448302].** Mr Staunton then provided the Note to me and to Mr Jacobs on 14 January 2024 (18:54) asking us whether it was a fair reflection of our views and whether he had missed any points **[POL00448302].** He explained that his intention was to forward the Note to other NEDs before the next board meeting as, in his words, seeing the issues in writing makes it more difficult to avoid.

280. The Note stated:

"*Saf said the views expressed by Richard Taylor , and previously by management and even members of the Board , still persisted - that those PMs who had not come forward to be exonerated were "guilty as charged " . It is a view deep in the culture of the organisation (inc at Board level) including that Post Masters are not to be trusted . SOMETHING NEEDS TO BE DONE .*

Martin Roberts and certain members of his team were singled out . There has been no feedback on the investigation into Roberts (inc for inappropriate behaviour and lack of integrity). He was responsible for the postage stamps debacle where changes were made to accounts by his team just like Fujitsu . If Elliot had not been on ARC the

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controls would not have been strengthened . Roberts and his team do not want any extension to their terms of office as they believe new PMs would not have the experience to challenge them .

Equally Saf and Elliot are FED UP WITH THE AMOUNT OF POWER WIELDED BY FOAT . He and other members of the senior team act as if PMs ARE GUILTY UNTIL PROVED INNOCENT (" as per my experience " they both said) . " No one believes us " is a constant refrain from PMs . . WHILST FOAT IS AT THE HELM NOTHING WILL CHANGE . We must also part company with all those investigators who behaved so terribly with PMs. What on earth is happening if Steve Bradshaw is still with us - his performance at the Inquiry was a disgrace and reflected terribly on Post Office . Foat uses his leadership of the Inquiry team as an instrument of his power - it all has to stop . The PM " is not the enemy ." " Only PMs can solve this" and tell us how to change . JB is an ex police man . His behaviour has been unacceptable and he needs to move on to prove we have changed .

The payment to one of PM of £16 as compensation said it all .

There are some 48 people involved in Investigations . There are over 40 just like Bradshaw . These people need to go . Project Phoenix was allowed by Foat to go into the long grass . Bradshaw went into one of Saf's stores some years ago and immediately said " we are closing you down " . PMs tell him not much has changed since . There is a complete lack of respect for PMs and that has to change .

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As a Board we need to send a signal to the Executive providing guidance and improving the culture significantly. The current culture was described as " toxic " (references to our reaction to fake notes , ATM differences etc etc) . We discussed a suggestion that we set up a BOARD Committee on Culture with both PMs on it with one or two others . It would need to have teeth . It would be outside Saf and Elliot's NED responsibilities and would require additional rem . It would have the benefit of making us more PM centric . We need as a Board to be seen to grip the situation .

Both thought there ought to be PM NED membership on all committees inc RemCo . It may be another PM Director would be needed - but that may be difficult . Wrt rem it was noted that the December bonuses went down badly with PMs . There were no similar bonuses for PMs . Our generous Sick Leave was highlighted - there are no similar benefits to PMs . How are we accepting so many people drawing sick leave payments esp in HR .”

281. I responded to Mr Staunton by email on 15 January (10:41) to say that the Note and his proposed strategy was fine **[POL00448302].** Mr Jacobs did likewise by email dated 15 January 2024 (08:25) but added further detail that he wished to raise with the NEDs **[POL00448302].**

282. Before sending the Note to anyone else Mr Staunton then checked with me and Mr Jacobs that we were content for him to share the Note and Mr Jacob’s clarification with independent NEDS (his email 15 January 2024 (21:05) **[POL00448408]**.

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283. Mr Staunton felt that the CEO, Nick Read, was under "eno*rmous stress"* with Select Committee hearings and defending himself against an internal investigation and, for that reason, Mr Staunton proposed to delay informing him of the content of the Note until after he had spoken with the NEDs. He also proposed to notify the UKGI representative director, Loran Gratton, after the independent NEDs had been notified.

284. I replied to Mr Staunton to give my authority for him to proceed (email 15 January 2024 (21:18) and he replied to confirm that he would circulate the Note on 16 January 2024 and copy me into his email (Email 15 January 2024 21:24). Mr Staunton stated later that day that he was "*determined to get it right for existing PMs and past wronged PMS*" (email 15 January 2024 (21:29).

285. Mr Staunton then circulated the Note and a VOP Press Release dated 15 January 2024 to NEDs via his PA, Dian Blanchard, by email dated 16 January 2024 (09:52) and he subsequently sent it to Nick Read [**POL00448503**] and **[POL00448537].**

286. There was a Teams meeting of the POL board save for the UKGI representative, Lorna Gratton, on Thursday 18 January 2024 at 14:30 which the Note was discussed. Nick Read left that meeting part way through, and Amanda Burton then informed the board members remaining on the call that Mr Read had circulated the note to Ben Foat and Martin Roberts. I was shocked and stunned at this error and lapse in judgment as were the other NEDs.

287. The board, including myself, was contacted on 18 January 2024 (18:17) by Mr Staunton to confirm that Nick Read had sent the Note to NEDs including to Ben Foat

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and Martin Roberts **[POL00448387]**. Mr Staunton sent that email to various parties and said that he had suggested Mr Read apologise to me and to Mr Jacobs as, in the view of Mr Staunton, Mr Read's actions had exposed me and Mr Jacobs to investigations to be conducted by Ben Foat and Martin Roberts presumably by way of reprisals. Mr Staunton said further that Mr Read acknowledged the seriousness of his lapse and was very apologetic although Mr Read did not say that to me. I have requested a copy of Mr Read's email sending the Note to NEDs from POL in advance of preparing my witness evidence but I have not been provided with it.

288. In response to his circulation of the Note I contacted Mr Read by email on 18 January 2024 (22:08**) [POL00448383]** to state:

"…there was a confidential meeting held between myself, Elliott [Jacobs]*, and the Chairman* [Henry Staunton]*, where we discussed our observations and concerns regarding the operations of the Post Office and our ongoing cultural issues. Regrettably, it has come to my knowledge that the notes of this meeting, which were intended to be kept in strict confidence, have been circulated to the individuals who were the subject of our discussion.*

…

Additionally, I have become aware of the distribution of Non-Disclosure Agreements (NDAs) to individuals within the Post Office in recent years. I find it perplexing that you are not aware of this during the Select Committee's discussion on NDAs. I would appreciate clarification on this matter and whether the legal department may have withheld this information from you.

…

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The mishandling of this email and the breach of confidentiality not only constitute a breach of duty but have also caused significant damage to my professional relationships. Moving forward, it is essential to restore trust and rectify the harm that has been done and possible future implications for me from these "untouchable" individuals. How do you suggest we solve these issues?"

I still have not receive a response to that email from Mr Read and feel like I have been ignored.

289. Mr Elliot also contacted Mr Read about his dissemination of the Note by email dated 18 January 2024 (23:58) and copied me to his email **[POL00448383]** stating:

"The release of the confidential briefing note to the very people we have highlighted in the document is a horrendous breach of trust.

Your description of these three men (JB, Foat and Roberts) as "untouchable" in our call earlier today was worrying enough (especially in the light of our grave concerns as to their ability and the power they wield without any real oversight) but is only made worse by them now being told of our view of them. Only 1 board meeting ago these people came to Board to request authority to recommend Police investigations into Postmasters without Board oversight or approval - and thought nothing of it! To be so staggeringly out of step with reality of the world Post Office occupies today is beyond belief.

…

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How I am supposed to have a working relationship with both Ben Foat and Martin Roberts and the teams which they will no doubt share the confidential note with is uncertain and very worrying. These are the very people who want to downgrade the Postmaster NED capability and capacity on the board from 2 experienced PMs to 1 - at the very time we need PMs at the heart of this culture change.

Were it not for the fact that resigning would risk giving these people even more power I would submit my resignation to our Chair today; but, after much consideration, I will again endeavour to be part of the solution. I am determined to leave this business free of the toxic culture that risks destroying our collective future."

290. I then had a further discussion with Mr Staunton and Mr Jacobs and a longer list of issues was devised which I intended to raise for discussion at the next board meeting on the morning of Tuesday 29 January 2024 **[POL00448385]**. I shared this list of issues with Mr Staunton and Mr Jacobs by email dated 25 January 2024 (08:15) **[POL00448406]**.

291. Mr Staunton was dismissed from the board on Saturday 27 January 2024 before that 29 January 2024 board meeting occurred. I was not notified of this by anyone on the POL board and I became very concerned and felt vulnerable when I heard this on Sky News. I had expressed my concern about this in an earlier email to Mr Staunton dated 23 January 2024 (16:53) saying "*I feel vulnerable and exposed and have no where* [sic] *to go as this involves our investigations and whilst blowing team member"* **[POL00448407]**. Mr Staunton replied that day to my email at 20:00 saying: "*A good*

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outcome would be to make some big changes whilst maintaining your relationships inc with Nick - quite difficult" **[POL00448384]**.

292. I did speak to Mr Read directly about the Note after Mr Staunton had left the board. He considered that the lapse in judgment was not his but rather that Mr Staunton should not have provided the Note to him or to the POL NEDs. I was shocked at the lack of responsibility taken. Mr Staunton had requested and obtained consent from me and Mr Jacobs prior to circulating the note to NEDs.

293. After Mr Staunton had been dismissed, the expectation from the POL executives was that Mr Jacobs and I had the responsibility to resolve the fall-out from Mr Read having widely disseminated the Note and to salvage our working relationship with Mr Roberts and Mr Foat. I had a meeting with Mr Roberts, Mr Foat and Mr Jacobs in which I apologised to them for the way matters had unfolded. I made it clear that I stand by the contents of the Note but not the necessarily the tone or the way they were informed of its contents. The information contained in the note should not have been relayed to Mr Roberts and Mr Foat in the manner that Mr Read chose to inform them. Mr Roberts requested that I retract the contents of the Note in writing, but I could not do that because I stood by the views I had expressed to Mr Jacobs and Mr Staunton.

294. Understandably, the circulation of the Note to Mr Roberts and Mr Foat made my working relationship with them and their teams more difficult despite my efforts to salvage those relationships.

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295. I understand that Mr Roberts and Mr Foat made the contents of the Note known to their respective teams which had the effect of further compromising me and Mr Jacobs,

296. I am aware from evidence given by Ben Tidswell to a DBT Select Committee on 27 February 2024 that there "*were board members willing to go if Mr Staunton remained in place*" and that he had "*concerns that I* [Mr Tidswell] *had heard from board members and from senior executives about Mr Staunton's behaviour"* and that "*there were a number of concerns, the most significant of which were that Mr Staunton was obstructing investigations, and particularly the whistleblowing investigation into him, and had taken steps to circumvent the shareholder's position in relation to the appointment of my* [Mr Tidswell's] *replacement*. I am not aware of any board members expressing to me a willingness to resign if Mr Staunton remained in place or expressing any concerns about Mr Staunton. I would not be able to speculate who Mr Tidswell may have been referring to. The transcript of Mr Tidswell's evidence to the DBT Select Committee on 27 February 2024 is at **[POL00448410]**.

297. Following Mr Read's evidence to the DBT Select Committee, on 29 February 2024 Mr Tidswell (then interim chair) then led a meeting of NEDs in response to that session. In that meeting I voiced my concerns that I did not consider Mr Read's evidence to the DBT Select Committee to be accurate or comprehensive and that documents had been withheld from the DBT Select Committee. A copy of the notes of that meeting are at **[POL00448388]**.

298. Simon Jeffreys, Amanda Burton, Elliot Jacobs and Andrew Dafoor all confirmed in that meeting that they had also heard use of the term '*untouchables'*. I do not recite the

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contents of that note in the body of this witness statement. I can confirm that the note accurately records the concerns that I expressed in that meeting.

299. Following the 29 February 2024 meeting, given the concerns expressed by me and others about the candour of some responses provided by Nick Read and the adequacy of the full and frank disclosure to the DBT Select Committee, an investigation was undertaken by Andrew Darfoor (NED) and he produced a report for the board. That report marked '*DRAFT'* and dated 20 March 2024 is at **[WITN11180105].** Despite being marked as draft I understand this to be the final form of the report. Mr Darfoor concluded that documents had not been withheld from the DBT Select Committee as they had not been expressly requested. I found that conclusion disappointing, it seemed very clear to me which issues the DBT Select Committee were interested in and the documents which would have shone a light on those issues.

10. Please set out any other concerns (if any) you may have about your experience on the POL board.

300. I have a number of concerns about my experience on the POL board, but I have addressed these earlier in my statement in the context of my evidence regarding the culture of the board, the relationship between the board and PMs and regarding third party stakeholders in POL. However, I have concerns in relation to staffing that do not sit comfortably within my earlier evidence which I now address.

301. One of the issues with the organisation of the business of POL is that individuals are not recruited with a commercial mindset and are not thoroughly assessed against

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relevant criteria for roles. In particular candidates are not assessed as to whether they can relate and have empathy with PMs and the value PMs bring to POL. I have heard it said that executives who arrive at POL, are failed executives in the commercial world, who apply because they want to avoid accountability and take it easy. There has been also feedback from the employee engagement surveys which highlights a common phase "*jobs for the boys*". My experience has been that the board is too trusting of the executive and there is insufficient scrutiny of their recruitment and their activities. Unfortunately, it is common practice for people to mark their own work, leading to inflated performance metrics and an environment driven by greed and self-interest.

302. POL leadership lacks trust, authenticity, momentum, and focus on delivery. The results POL Engagement Survey in 2022 confirmed that there was a widespread lack of confidence in senior leaders at POL, with just two in five colleagues having confidence in senior leadership. The results further show that employee perception of POL's overall strategy and leadership positivity is low, and employees reported bureaucracy, inefficiency and indecisive behaviours. Only 39% of employees feel that senior leaders lead by example and behave in line with POL's '*Ways of Working'* **[POL00448635]**. In preparing this response, I requested disclosure of the verbatim feedback for the 2022 Employee Engagement Surveys in order to obtain a greater understanding of the concerns raised. I was advised that an Employee Engagement Survey did not take place in 2022; this appears to be incorrect as I have been provided with and attach a copy of the 2022 Engagement Survey summary results.

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303. The Organisational pulse survey results from November 2023 also confirm that three in five employees do not positively have confidence in the senior leadership of Post Office **[POL00448633].**

304. The February/March2024 employee Engagement survey results again indicated again a lack of confidence within the senior '*leadership'* in POL. The board report concerning the 2024 Employee Survey results confirmed that only 35% of employees felt that they had confidence in senior leadership, having reduced by 4% from 2022 and 5% from 2023 **[POL00448624** at pages 188-191]. It was acknowledged that the lack of confidence in senior leaders is a long-term issue for POL and that the company is significantly behind UK norms, where 69% of employees have confidence in senior leadership.

11. Are there any other matters that you consider the Chair of the Inquiry should be aware of?"

<u>Recognition and Respect</u>

305. PMs want the POL and its employees to acknowledge their vital role. Without PMs, the POL would not survive. The goodwill and dedication of PMs across the country sustain POL thanks to their connection with the communities they serve. This community loyalty keeps POL running despite challenges.

<u>Fairness</u>

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306. PMs must no longer be seen solely as a cost. POL employees do not fully appreciate that the majority of POL income is generated by PM's. The comfortable, generous remuneration and bonus packages POL employees enjoy are predominantly the result of the hard work and sacrifices of PMs and their staff. The POL business and its executives must be accountable to PMs and POL must accept that PMs should be able to challenge its behaviours and decisions.

307. PMs want to see a change in POL's behaviour towards them which has been arrogant and unchecked. They also want an end to the isolation that they and their predecessors have experienced.

308. PMs need fair accountability standards and the creation of clearly define roles and responsibilities with POL. As I have said in my evidence, there is a disproportionate and unnecessary level of oversight on the activities of PMs where PMs can be held accountable for discrepancies as small as a penny, whereas POL can write off amounts under £1,000,000.

309. PMs desire profitable and respected businesses. They want every branch, whether rural or urban, to be profitable and fairly compensated for the PMs work. Currently, a PM might accept cash deposits of £950,000 per month, in return for gross remuneration as low as £2,000. This work is done without the assistance of automation funded by POL and losses due to forgeries or manual counting error are the responsibility of the PM to make good. This can be financially not viable for PMs.

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310. POL must justify pay review decisions to PMs. The current risk versus reward imbalance where PMs take all the risks and POL reaps the rewards, is unfair. In the absence of robust PM representation POL executives have shown little appetite to promote change for PMs highlighting the need for intervention. PMs want an ethical organization where hard work and innovation are rewarded and I have heard calls for the linking of executive salaries to PM remuneration, ensuring everyone benefits from growth equally.

Recognition of Contribution

311. PMs want to be paid for their work, not based on hitting unhelpful metrics set by POL. They reject the notion that post office element of their businesses should merely be footfall drivers and that they should generate profits from separate retail businesses. That rationale has been used wrongly to justify a historic lack of real terms pay increases and causes profitability issues for many branches.

Transparency and Accountability

312. POL must become more transparent and end the lack of accountability internally and to its shareholder, the board and PMs. POL must identify who is responsible for the detriments suffered by PMs. The culture of informing PMs only on a need-to-know basis must end.

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313. PMs want equality and fair representation within the organization. They want talent to be sourced from all social backgrounds and nationally, not just from London, with that talent nurtured and rewarded.

Protection and Reform

314. POL must challenge institutional PM discrimination. Cultural reform must be implemented to change the businesses mindset towards PMs.

315. The practice of implementing policies based on isolated incidents and extreme examples must be stopped. Such decision-making is detrimental to all PMs. For instance, losses reported at a single branch notified to the board, casting all PMs in a negative light. Other recent examples presented to the board include reports of PMs failing to roll their branches into a trading period, without any context on the number of branches involved. This overly reactionary approach hinders PMs who are striving to manage and grow their businesses.

316. There should be an approval process within POL to exceed anything more than modest legal costs on an investigation of PMs and this process should be independent of the investigations teams. Any PMs who become subject to investigation by POL should be provided with clear understandable data relating to the investigation and be allowed legal representation from the outset.

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Modernization and Inclusivity

317. PMs need their branches to be automated and to embrace new technology to ensure future profitability for them and for POL. Communities want a modern innovative post office. POL has attracted a younger demographic with its Pick-Up and Drop Off ("**PUDO**") proposition but has not yet expanded its product range to cater to them.

318. PMs want more involvement at senior levels to ensure that they, as the frontline, are connected to all layers of the POL organisation. This involvement will help maintain checks and balances to prevent past issues and safeguard current and future PMs.

Independent Representation

319. PMs need a truly independent organisation to defend their rights. The role of the NFSP is untenable due to funding agreements revealed by the Common Issues Judgment. Voluntary organizations like the VOP have insufficient resources to assume all of the needs of this role making effective accountability difficult.

Compensation

320. Many PMs have mentioned to me they want all POL employee bonuses abolished. The bonus-centric culture, driven by changing metrics to release financial rewards, has created a toxic environment which has clearly failed. PMs who haven't seen real pay increases since 2015, struggle while POL employees consistently receive

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bonuses, inflationary increases, and holiday pay. This disparity is unacceptable and grossly unfair. This culture contradicts our business model and social ethos.

Successes from existing limited PMs NEDs Oversight

321. Throughout my time on the POL board there has been a number of occasions where PM NED oversight has helped influence decision-making and contribute towards positive changes for PMs and POL. Some examples are:

321.1 In the summer of 2021, after the pandemic, POL branches were still recovering from lost income due to a reduction in currency sales. At board with the help of the executive we ensured extra payments to help meet the shortfall.

321.2 In early 2022, POL replaced their "*AEI*" machines with tablets. These tablets are used to perform passport, DVLA and Security Industry Authority transactions. PM remuneration for these transactions was not in line with the time taken by PMs on the counter. Due to pressure being applied by the PM NEDs during negotiations with agencies more income was generated resulting in pay rates reflective of the time taken.

321.3 There has been constant input from both me and Mr Jacobs regarding the development of the online platform used by PMs "*Branch Hub*"

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321.4 In August 2023, POL launched its Parcels Online service with the help of the mails team. and with input from me and Mr Jacobs POL agreed that profits from the online platform would be shared with PMs.

321.5 In August 2021, POL opened up its mail network to DPD and Amazon. Since then, the PUDO proposition has grown from strength to strength. Both PM NEDs provide vital live feedback from PMs to POL's mails team to help improve this offering.

321.6 In July 2024 POL launched T24 and T48 (Tracked 24 and 48 hour) Royal Mail parcel services). Initially, the pay rates were unacceptable and detrimental to other products PMs sold. Mr Jacobs and I advised on delaying the launch of this product and consulting Royal Mail on a possibility of reasonable pay rates. Once POL consulted Royal Mail, they agreed on the improved pay rates which allowed the product to go live.

322. I think even more or even more could be achieved for PMs and POL if PM involvement within POL is expanded.

A Vision for the Future

323. PMs believe POL can be saved and potentially mutualized if significant interventions occur. They want to be at the heart of the organization, driving it forward with changes necessary to ensure its success.

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PM Oversight

324. Oversight is a concept that has been frequently discussed recently within POL by some executive members, the NFSP, and PMs. Effective oversight is crucial; if not executed properly, it can cripple decision-making within the business. As someone who has been on the POL board for over three years, I advocate for more oversight because, despite efforts to become more PM-focused, POL continues to fail in delivering effectively for PMs. This failure is evident in the PM survey results, which, reveal that around 70% of PMs are unhappy and have been for a long time. The primary issue has been PM remuneration, which POL has neglected for years. Involving PMs in final decisions regarding remuneration would have resulted in more positive survey outcomes, as decisions would have aligned better with PM interests. It is crucial to select the right PMs for oversight duties. Areas where greater oversight of POL's affairs is needed include:

324.1 PM remuneration

324.2 Executive pay and abolishing all bonuses

324.3 The future direction of POL

324.4 Investment

324.5 Costs

324.6 Budgeting

324.7 Recruitment

324.8 Procurement

324.9 UKGI relations

324.10 Organisational structure

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324.11 PM investigations

325. POL senior leadership may contend that oversight is already in place through PM forums where opinions are given, and decisions are made. However, these forums often yield little change because the same individuals participate repeatedly, and they may not understand the key levers for meaningful changes.

326. From my experience, I believe certain key areas must have PM oversight, and the POL constitution should be amended to provide for this to ensure long-term sustainability. PMs should have input on allocation of POL funding. Large costs like automation and the development of SSKs along with the new NBIT system, should be carefully evaluated. Smaller costs, such as funds spent on reputation management with contractors such as TB Cardew, also need scrutiny. Budgets and Investment options should be presented with detailed cost-benefit analyses that a PM advisory committee can understand, and they should have the final approval of where finances are allocated.

Procurement

327. Another area needing involvement of a PM advisory committee is procurement. POL has offered ten-year deals to avoid repeating procurement exercises. The money spent and the lack of accountability for it would not be tolerated in a proper functioning successful enterprise. A PM advisory committee would play a key role in aligning POL's commercial functions with the network's requirements and strategic goals. This PM advisory committee would ensure that procurement processes take into account

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all of these important considerations and would help ensure public funds are spent efficiently.

328. In the last six months, I have raised several times to the board that procurement is an area that needs to be improved. Individuals in procurement feel the board is risk-averse, and I heard the Head of Procurement, Liam Carrol, mention this at a presentation to the finance team in May 2024. However, the POL board is given limited information about projects and so cannot make informed decisions. To me this lack of information seems intentional to avoid board scrutiny and accountability. Project teams should report to the board regularly to ensure the right decisions can be made, a culture that currently does not exist. A recent example that I have mentioned in my evidence above is a request to the board for approval of overspending on the NBIT programme which was so high it required shareholder approval.

RemCo

329. I have been on the board for over three years and only recently became aware of a pay grade called the "*RemCco pay grade*". I have requested detailed data from POL for RemCo pay since 2019, and I understand there have been a number of substantial pay increases at a time when little has been done for the pay of current PMs or for redress for current and former PMs. With PM participation on RemCo, I think that decisions would have been made differently and issues like the payment to the CEO of bonuses tied to his assistance to this Inquiry and the need to return of those payments would not have occurred.

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Shareholder / UKGI role

330. PMs need the shareholder to listen to them and a platform to communicate with the shareholder. PMs perform a vital social role nationwide. During the pandemic, post offices were key community hubs, providing free sanitizers, food parcels, and even laundry services. PMs need government recognition and support, such as re-re-evaluation of business rates and employer allowances. Recent minimum wage increases have created unprecedented cost pressures forcing PMs to reduce staffing. Additional government support is necessary to ensure PMs can afford to continue fulfilling their social purpose.

What does POL want from PMs?

331. POL wants PMs to be more receptive, understanding, and aware of the issues and challenges it faces. Additionally, POL wants consistency of PM contracts. However, after the recent Network Transformation saga, the feasibility of contract revisions is uncertain.

The Future

332. The future of POL must be PM-centric, with a mutual commitment from all stakeholders. Oversight and mutualization within the next decade are crucial, possibly drawing inspiration from the Co-op and John Lewis models. Given the unique nature of POL mutualization might take a different form, but it is essential.

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Key Areas for Future Development:

333. Recruitment Committee: To prevent organisational failures, a recruitment committee should oversee all hirings and firings. This committee should include PMs and executive representatives to ensure transparency and eliminate nepotism.

334. Relocation: POL should consider moving its main base outside of London whilst maintaining a presence in London. I am of the opinion that this would reduce costs and help address the needs of the broader network of Post Offices by becoming less London-centric.

335. Sustainability: With the right tools and financing, POL can become sustainable. The new chair, Nigel Railton, has indicated that he aims to instil equality, accountability, and profitability. A strategic review should be conducted, and its proposals implemented immediately to avoid the patchwork fixes of the past.

Current Issues:

Overstaffing and Inefficiency

336. POL currently employs too many people, with an excess of middle managers creating a silo mentality and hindering decision-making. Reducing the number of middle management and streamlining the organization could make it more efficient.

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337. It appears that there are an excessive number of individuals with the job title of "director" at POL and this blurs accountability and confuses PMs. It seems that every department within the company has directors, and it is not apparent who are statutory directors or not. I strongly believe that the job titles at POL need to be reconsidered, as the title of director should inherently entail adhering to fiduciary duties. I feel the excessive use of the word "director" in job titles also creates an expectation of unreasonable increased pay and bonuses.

Dominance of the POL legal department

338. While legal oversight is necessary, it should not dominate every aspect of the organisation. Currently, there is heavy reliance on referral of matters to the legal department and decision-making is slow to progress.

DMBs – Crown Post Offices

339. The cost of maintaining DMBs is a danger to the future commercial viability of POL. If franchising DMBs is off the table, due to the lack of successive governments wanting to have difficult conversations, then additional funding will be required to support this segment of the POL business.

Path to Financial Stability

340. It has been raised in board meetings that POL could save approximately £130 million annually (£1.3 billion over ten years) with proper financial restructuring. This would

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provide the capital needed to invest in a modern post office including increasing PM remuneration and making strategic changes. The government must decide whether it wants to continue subsidizing POL or help it to become self-sustaining. Short-term funding or loans could facilitate cost-saving measures, leading to long-term benefits. I am committed to being part of this conversation, given my extensive experience as a PM and POL NED. Understanding the intricacies of this business, I believe I can contribute to shaping a sustainable and profitable future for POL.

Nepotism and Accountability

341. In my view senior leadership have recruited subordinate individuals who act as shields, protecting them from accountability and responsibility. These shielded individuals often lack basic competency in their roles. Some individuals in senior positions have been hired because of their connections with friends who are also executives and with whom they have previously worked. I have been advised by PMs who have had interaction with these recently hired individuals that they are not familiar with the intricacies of company policies and procedures, nor are they knowledgeable about the day-to-day operations of project management.

342. Numerous instances have occurred where presentations to the board by these individuals have been embarrassingly inadequate. This has been referred to the executives on the board, however, little action has taken place to resolve this.

343. On multiple occasions, senior executives have submitted presentation decks to the board for meetings but have failed to present their own information in person. It is

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evident to me that this raises concerns about accountability and leadership. In the past junior staff have presented flawed data to the board, highlighting a culture where mediocrity is tolerated and even rewarded with bonuses. There is a steep hierarchy with "*untouchable*" individuals at the top who lack accountability and execution skills, creating large protective teams to insulate themselves.

Withholding Information

344. Relevant information often does not reach the board or does not reach the board quickly. I became aware of a whistleblower complaint that had been made concerning the costs and status of the NBIT programme in around July 2024 and brought this to the attention of the board. The investment committee and the board members were not previously aware of this and there ought to be reporting lines in place so ensure that all relevant issues are brought to the attention of the board for its consideration and to take appropriate steps.

Homeworking Culture

345. The default position of working from home is problematic. While there is a balance to be struck between home and office work, POL's stance is excessively lenient. I have advocated in several board meetings for executives to be in the office four days a week. Former chair Tim Parker also noted that POL was the only organization he saw still predominantly working from home post-pandemic. The situation has deteriorated with the move to a new office lacking adequate meeting rooms. Many staff now refuse

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to come into the office due to the inconvenience of booking lockers and desks daily, leading to poor morale. This transition creates unnecessary issues for head office staff.

POL Board

346. I have detailed the structure of the board and its subcommittees earlier in this statement. It is evident to me from my experience that the current structure of POL is ineffective and has been since its separation from Royal Mail. There are unresolved structural and governance issues that neither the organization nor the government has addressed.

347. To get POL back on track and create a structure that is fit for purpose, I would propose that there should be at least two PMs on each committee, including the investment committee, RemCo, ARC, and the Nominations Committee and Audit ("**NomCo**"). Although this is a radical shift from the current setup, radical ideas are necessary to safeguard the future of the business. Having two PMs on each committee could ensure greater oversight and accountability. For example, on ARC, PMs could help highlight and resolve risks, and on Remco, they could scrutinise bonuses and executive pay and ensure both align with market trends. The culture of "*marking your own homework*" must end.

348. From my experience, I also believe sufficient PMs should be on the POL board to give PMs a numerical advantage. That would make the board PM-centric and ensure the board's effectiveness. It would also provide checks and balance to ensure the CEO and CFO are providing accurate reports to the board. It is my considered opinion that

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a majority of PMs on the POL board would be able to refocus POL on the live issues within the Post Office network and it would not only be two PMs NED *"just being negative and saying the same thing"*.

349. Furthermore, increased PM representation on the board could ensure that independent NEDs are the right fit and can drive the business forward by being involved with the recruitment of new independent NEDs. Increased PM involvement will help address issues previously mentioned in public inquiries and committee hearings, such as the improper flow of information from the top to the CEO and then to the board. This can help eradicate such behaviours by having PMs with "*skin in the game*" ensure executives do their jobs properly.

350. The decks of documentation provided to the Board in advance of each meeting need to be more concise, relevant, and make specific clear recommendations. Overload of information is unhelpful, and many unnecessary topics are discussed at board meetings. Senior leaders must take responsibility for their areas, which is currently lacking. There needs to be better control over what comes to the board, and the executive must understand the board's function and requirements.

351. The POL board also needs to address the lack of corporate memory. I raised a query regarding events in 2018, and nobody knew the answers. Corporate memory is crucial, especially for POL, to ensure past wrongs are not repeated. Rotating PMs on and off the board, will help maintain this memory. There must also be a governance overhaul within the executive to ensure new NEDs and executives are aware of ongoing issues to avoid corporate memory loss

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352. . While these NEDs are experts in their respective areas, POL executives do not always provide them with necessary information and clarity in board packs, limiting their effectiveness. I have witnessed instances where executives choose to involve NEDs in decision-making but then make decisions contrary to their recommendations without explanation. At board level, there should be a mechanism to bring all board members up to a certain minimum level of understanding of the issues they are being asked to make decisions about. For example, directors are expected to make decisions based on legal notices they are not given the information to fully understand and so the decision-making process becomes an exercise in blindly following advice in board packs. Training for all directors should be improved to ensure everyone is at the same level, facilitating healthier discussions.

353. There have been occasions where information given by executive to the board has been taken at face value, only to be challenged by Mr. Jacobs and me, causing executives to rethink the information they provide. Many former board members have noted to me that, since Mr. Jacobs and I joined the POL board, the rigour of the board discussions have improved. However, we have yet to make adequate progress on issues such as a lack of accountability and corporate knowledge.

Message to PMs

354. To the PMs who elected me and have supported me throughout my tenure on the board: I want to thank you for your unwavering support. For those who feel that Mr. Jacobs and I have not made an impact, I hope you understand the challenges we have

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faced, and you can see we have made some impact. We have dedicated significant time and effort to this organization, often facing substantial resistance.

355. Our efforts to be transparent and outspoken may come at a personal and professional cost, and I worry about the ramifications. I need your continued support as I strive to improve this organization.

Message to POL Employees

356. I hope you find my statement relatable. I recognize there are many fantastic individuals within this organization. I am confident that if these individuals are empowered, they can help steer the business in the right direction. However, we must first address our internal problems to move forward. POL can once again be a fantastic place to work, and the speed of this transformation depends on us.

Message to the Government

357. POL is a fantastic business, but it is currently on life support and urgently needs your leadership. I am willing to support any efforts to help fix this organization.

358. I encourage senior ministers to read the strategic review currently being prepared by Teno and engage with POL board and executives to ensure the key objectives of the review are met promptly. This should help to reduce the government funding necessary for this organization and put POL on the road to mutualisation and sustainability.

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Message to the Inquiry

359. PMs support the fantastic work you have done. They want their predecessors to be treated fairly, with dignity, and to receive appropriate compensation. However, the current PMs should not bear the financial burden for past injustices or be deprived of much needed funding and support to make them, and POL fit to meet current and future challenges.

360. Today's PMs feel forgotten. I hope the Inquiry is able to provide justice for past PMs and outline clear steps to ensure current and future PMs are treated fairly. POL should become PM-centric, attracting the best talent to both work as PMs and within the organization.

Statement of Truth

I believe the content of this statement to be true.

Signed: GRO .....

Sarfaraz Gulam Ismail

Dated: 4 September 2024

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01	POL00448366	Saf Ismail election candidacy promotional material	POL-BSFF-WITN-012-0000001
02	POL00448409	Form AP01 confirming appointment of Mr Sarfaraz Gulam Ismail as director of POL – 3 June 2021	POL-BSFF-WITN-012-0000050
03	POL00448789	POL Board Meeting Minutes – 9 March 2023	POL-BSFF-WITN-013-0000089
04	POL00448791	Email chain between Saf Ismail and Zdravko Mladenov on 5 July 2022.	POL-BSFF-WITN-021-0000002
05	POL00448790	Email chain between Saf Ismail and Ross Pilgrim between 4 - 6 October 2023	POL-BSFF-WITN-021-0000011
06	POL00448368	UKGI Shareholder NED Induction Pack POL NEDs – 15 September 2021	POL-BSFF-WITN-012-0000003

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07	POL00448650	Board training record for the financial year 2023/2024	POL-BSFF-WITN-001-0000003
08	POL00448401	UKGI NED PowerPoint Induction Slide Deck	POL-BSFF-WITN-012-0000041
09	POL00448386	Investigation Final Report Project May – 8 February 2024	POL-BSFF-WITN-012-0000025
10	POL00448380	Email from Richard Taylor regarding '*Sunday Times article by Nick Wallis*' – 20:45 15 Jul 2023	POL-BSFF-WITN-012-0000017
11	POL00448404	Computer Weekly article titled '*IT worker evidence reveals a toxic Post Office IT helpdesk that discriminated against subpostmasters*'	POL-BSFF-WITN-012-0000045
12	POL00448378	Email correspondence between Saf Ismail, Jane Davies, Elliot Jacobs and Benjamin Tidswell regarding '*Racism and employment practices*' – 1 - 2 May 2023	POL-BSFF-WITN-012-0000014

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13	POL00448786	Audit, Risk and Compliance Committee Report dated 1 July 2024.	POL-BSFF-WITN-042-0000018
14	POL00448607	Email Chain between Saf Ismail, Karen McEwan, Amanda Burton and Ian Rudkin between 17 July 2024 and 4 August 2024.	POL-BSFF-WITN-021-0000024
15	POL00448606	Email from Amanda Burton to Saf Ismail and others dated 5 August 2024 (17:10)	POL-BSFF-WITN-021-0000025
16	POL00448402	Clarification to Post Office Limited Annual Report and Accounts 2021 – 22 and Apology to Sir Wyn Williams	POL-BSFF-WITN-012-0000042
17	POL00448641	Devereaux Chambers Final Report into investigation of Jane Davies Complaint against Nick Read dated 8 April 2024	POL-BSFF-WITN-010-0000046
18	POL00448608	Email Chain between Saf Ismail, Benjamin Tidswell and Amanda Burton from 4 - 7 April 2024.	POL-BSFF-WITN-021-0000022
19	POL00448625	POL Board Pack 27 September 2022	POL-BSFF-WITN-017-0047945

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20	POL00448648	POL Board meeting minutes – 4 June 2024	POL-BSFF-WITN-002-0000005
21	POL00448642	Presentation prepared by Jane Davies providing feedback on engagement survey and leadership behaviours – March 2023	POL-BSFF-WITN-010-0000044
22	POL00448614	POL Board Meeting Minutes – 28 November 2023	POL-BSFF-WITN-021-0000015
23	POL00448613	POL Board Governance Map and Forward Plan 2023/2024	POL-BSFF-WITN-021-0000016
24	POL00448624	POL Board Pack – 4 June 2024	POL-BSFF-WITN-019-0000004
25	POL00448632	POL Board Pack – 10 June 2021	POL-BSFF-WITN-017-0038623
26	POL00448631	POL Board Pack – 24 June 2021	POL-BSFF-WITN-017-0039058

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28	POL00448629	POL Board Pack – 15 July 2021	POL-BSFF-WITN-017-0039685
29	POL00448628	POL Board Pack – 5 August 2021	POL-BSFF-WITN-017-0040594
30	POL00448627	POL Board Pack – 2 August 2021	POL-BSFF-WITN-017-0040803
31	POL00448626	POL Board Pack – 19 August 2021	POL-BSFF-WITN-017-0040951
32	POL00448405	Future Branch Formats Slide Deck	POL-BSFF-WITN-012-0000046
33	POL00448373	POL Board Meeting Minutes – 16 March 2022	POL-BSFF-WITN-012-0000009

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34	POL00448620	POL Board Meeting Minutes – 24 January 2023	POL-BSFF-WITN-021-0000006
35	POL00448622	POL Board Report dated 24 January 2023	POL-BSFF-WITN-021-0000004
36	POL00448610	POL Business Plan for the financial year 2024 / 2025	POL-BSFF-WITN-021-0000019
37	POL00448647	POL board report concerning the 'Independent PM and SP engagement framework' dated 27 July 2021	POL-BSFF-WITN-010-0000002
38	POL00448645	POL board report concerning the 'Independent PM and SP engagement framework' and associated POL strategy day documentation	POL-BSFF-WITN-010-0000003
39	POL00448646	POL minutes of Strategy Session of the Board held 27 July 2021	POL-BSFF-WITN-010-0000004
40	POL00448644	POL minutes of Strategy Session of the Board held 28 July 2021	POL-BSFF-WITN-010-0000005

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41	POL00448633	Organisational pulse survey results – November 2023	POL-BSFF-WITN-015-0014933
42	POL00448643	POL minutes of Strategy Session of the Board held 8 July 2024	POL-BSFF-WITN-010-0000040
43	POL00448411	Letter from 'POL Whistleblowers' dated 28 May 2024	POL-BSFF-WITN-012-0000052
44	POL00448391	Email correspondence between Tracy Marshall, Saf Ismail, Elliot Jacobs, Alexandra Burrell and Elizabeth Street regarding '*NED recruitment process'* – 26 April 2024 – 1 May 2024	POL-BSFF-WITN-012-0000030
45	POL00448389	Email from Saf Ismail regarding '*Postmaster Listening events – Culture'* – 18 April 2024	POL-BSFF-WITN-012-0000028
46	POL00448370	Email correspondence between Saf Ismail and Richard Taylor regarding '*Comms'* – 24 November 2021	POL-BSFF-WITN-012-0000005

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47	POL00448785	POL Board Report – 25 March 2024	POL-BSFF-WITN-021-0000021
48	POL00448399	Email from Postmaster Engagement (Postmasterengagement@postoffice.co.uk) to Saf Ismail dated 28 June 2024 (1:28pm)	POL-BSFF-WITN-012-0000039
49	POL00448392	Email from Post Office regarding '*Application process for two new Postmaster NEDs'* – 8 April 2024	POL-BSFF-WITN-012-0000031
50	POL00448604	Email from Saf Ismail's Area Manager, Keith Blair dated 2 May 2024 (18:27)	POL-BSFF-WITN-021-0000027
51	POL00448395	Operational Performance Data for New Hall Lane Post Office	POL-BSFF-WITN-012-0000034
52	POL00448394	Email correspondence between Saf Ismail, Nigel Railton and Elliot Jacobs regarding '*Discussion Document'* – 28 May 2028	POL-BSFF-WITN-012-0000033
53	POL00446477	Grant Thornton Governance Review – 25 June 2024.	POL-BSFF-099-0000003

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54	POL00448390	Email correspondence between Amanda Burton (POL Remuneration Chair), Saf Ismail and Elliot Jacobs regarding *'Long term incentives for the senior team'* – 23 April 2024	POL-BSFF-WITN-012-0000029
55	POL00448375	POL Board Meeting Minutes – 7 June 2022	POL-BSFF-WITN-012-0000011
56	POL00448618	Product profitability teams meeting invitation for 3 October 2023.	POL-BSFF-WITN-021-0000010
57	POL00448374	POL Board Meeting Minutes – 22 February 2022	POL-BSFF-WITN-012-0000010
58	POL00448376	POL Board Meeting Minutes – 18 August 2022	POL-BSFF-WITN-012-0000012
59	POL00448787	POL Board Report – 18 August 2022	POL-BSFF-WITN-002-000006

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60	POL00448367	Email correspondence between Saf Ismail, Martin Kearsley, Owen Woodley, Wendy Luczywo and Nick Read regarding '*IAD and Post Office ATM Contract Comparison'* – 29 June 2021 to 23 July 2021	POL-BSFF-WITN-012-0000002
61	POL00448623	POL Board Meeting Minutes – 27 September 2023	POL-BSFF-WITN-021-0000003
62	POL00448621	POL Board Meeting Minutes – 6 December 2022	POL-BSFF-WITN-021-0000005
63	POL00448371	Email correspondence between Saf Ismail, Jeff Smyth and Sree Balachandran regarding '*Dual Log In's for Horizon & New Banking Screen'* – 1 February 2022 – 30 March 2022	POL-BSFF-WITN-012-0000006
64	POL00448372	Email correspondence between Jeff Smyth, Saf Ismail, Lisa Harrington, Elliot Jacobs and Nick Read regarding '*Board Action Follow Up'* – 9 May 2022	POL-BSFF-WITN-012-0000007

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65	POL00448617	POL Board Meeting Minutes – 6 June 2023	POL-BSFF-WITN-021-0000009
66	POL00448605	Email from Stalybridge Banking Hub Operator to Saf Ismail dated 6 August 2024 08:13)	POL-BSFF-WITN-021-0000026
67	POL00448396	Email from Amanda Burton to Saf Ismail and Elliot Jacobs regarding '*RemCo matters'* – 6 June 2024	POL-BSFF-WITN-012-0000035
68	AMCL0000013	Judgment (No.6) "Horizon Issues" of the Honourable Mr Justice Fraser dated 16 December 2019	
69	POL00448640	Organogram detailing POL management structure.	POL-BSFF-WITN-010-0000053
70	POL00448379	Email from Saf Ismail to Martin Roberts, Peter Marsh, Nick Read and Elliot Jacobs regarding '*Yateley Post Office'* – 4 July 2023	POL-BSFF-WITN-012-0000015
71	POL00448788	Letter from Graham Brander regarding Yateley Post Office	POL-BSFF-WITN-012-0000016

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72	POL00448619	POL Board Meeting Minutes – 28 March 2023	POL-BSFF-WITN-021-0000008
73	POL00448615	The Group Executive Report into Past Roles Review dated 17 January 2024	POL-BSFF-WITN-021-0000014
74	POL00448649	POL Board Meeting Minutes – 29 April 2024	POL-BSFF-WITN-002-0000004
75	POL00448616	Email chain between Saf Ismail and John Barlett from 4 – 6 January 2024.	POL-BSFF-WITN-021-0000013
76	POL00448403	Express Article – *Post Office executive's chilling two words that led to scandal revealed*	POL-BSFF-WITN-012-0000044
77	POL00448398	Email from Saf Ismail to Nigel Railton and Elliot Jacobs regarding *'Postmaster Police Investigations'* – 14 June 2024	POL-BSFF-WITN-012-0000037
78	POL00448611	Letter from Nick Read, CEO of Post Office Limited to the Chair of the Business and Trade Committee dated 23 February 2024	POL-BSFF-WITN-021-0000018

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79	POL00448369	Email correspondence between Amanda Jones, Saf Ismail, Elliot Jacobs and Hithendra Cheetirala regarding '*PM Director Objectives H2'* – 15 – 17 November 2021	POL-BSFF-WITN-012-0000004
80	POL00448377	Email correspondence regarding *'Thank you to Postmasters from the Board to be sent tomorrow – Friday 23 December'* – 22 December 2022	POL-BSFF-WITN-012-0000013
81	WITN11180105	Andrew Darfoor Review of the Department of Business & Trade Select Committee Statements and Correspondence dated 20 March 2024 and POL Document "Postmaster Sentiment Tracking" (at page 47 onwards)	WITN11180105
82	POL00448634	POL Document "Postmaster Pulse Survey Summary" dated November 2023.	POL-BSFF-WITN-015-0014929
83	POL00448397	Email correspondence between Saf Ismail and the POL board regarding the results of the 2024 Postmaster Sentiment Survey between 4 and 6 June 2024	POL-BSFF-WITN-012-0000036

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84	POL00446704	2024 Postmaster Sentiment Survey Analysis	POL-BSFF-WITN-012-0000040
85	POL00448612	Letter from Business and Trade Committee to Nick Read, CEO of Post Office Limited dated 22 February 2024.	POL-BSFF-WITN-021-0000017
86	POL00448393	Email correspondence between DBT and Saf Ismail regarding '*Business and Trade Committee: Invitation to appear as witness – 11 June 2024'* – 17 May 2024 – 23 May 2024	POL-BSFF-WITN-012-0000032
87	POL00448538	Letter from Brent Jay (Voice of the Postmaster) to Henry Staunton dated 15 January 2024 (15:13)	POL-BSFF-122-0000003
88	POL00448537	Press Release – Voice of the Postmaster 15.01.24	POL-BSFF-122-0000002
89	POL00448503	Email correspondence between Voice of the Postmaster, Henry Staunton, Saf Ismail, Elliot Jacobs, Diane Blanchard (PA to Henry Staunton) and other POL Non-Executive Directors between 15 and 16 January 2024	POL-BSFF-WITN-005-0010721

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		regarding the *Future of Post Office Branches.*	
90	POL00448381	Letter from Nick Read to Rt Hon Alex Chalk KC MP, Lord Chancellor and Secretary of State for Justice – 9 January 2024	POL-BSFF-WITN-012-0000019
91	POL00448302	Email correspondence between Henry Staunton, Saf Ismail and Elliot Jacobs regarding *Project Pineapple between* 14 *and* 15 January 2024.	POL-BSFF-WITN-006-0029777
92	POL00448408	Email from Henry Staunton to Elliot Jacobs and Saf Ismail regarding '*Project Pineapple'* – 15 January 2024	POL-BSFF-WITN-012-0000049
93	POL00448387	Email from Henry Staunton to Amanda Burton, Andrew Darfoor, Saf Ismail, Elliot Jacobs, Simon Jeffreys, Benjamin Tidswell and Brian Gaunt regarding '*Project Pineapple – STRICTLY CONFIDENTIAL'* – 18 January 2024	POL-BSFF-WITN-012-0000026
94	POL00448383	Email correspondence between Henry Staunton, Amanda Burton, Andrew Darfoor, Saf Ismail, Elliot Jacobs, Simon Jeffreys, Benjamin Tidswell, Brian Gaunt and Nick	POL-BSFF-WITN-012-0000021

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		Read regarding *'Project Pineapple – STRICTLY CONFIDENTIAL'* – 18 January 2024	
95	POL00448385	Document of issues prepared by Saf Ismail for further discussion in advance of board meeting on 29 January 2024	POL-BSFF-WITN-012-0000024
96	POL00448406	Email from Saf Ismail to Henry Staunton and Elliot Jacobs regarding '*Key Agenda Items for Upcoming Board Meeting **Final Version***' – 25 January 2024	POL-BSFF-WITN-012-0000047
97	POL00448407	Email from Saf Ismail to Henry Staunton and Elliot Jacobs regarding '*Key Agenda Items for Upcoming Board Meeting'* – 23 January 2024	POL-BSFF-WITN-012-0000048
98	POL00448384	Email from Henry Staunton to Saf Ismail and Elliot Jacobs regarding '*Key Agenda Items for Upcoming Board Meeting'* – 23 January 2024	POL-BSFF-WITN-012-0000022
99	POL00448410	Transcript of Benjamin Tidswell's evidence to the DBT Select Committee – 27 February 2024	POL-BSFF-WITN-012-0000051

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100	POL00448388	Minutes of POL Meeting of the Non-Executive Directors – 29 February 2024	POL-BSFF-WITN-012-0000027
101	POL00448635	POL Engagement Survey 2022 Results	POL-BSFF-WITN-015-0013255