

## Message

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**From:** Beal, Eleanor (Services Directorate) [GRO]  
**Sent:** 04/06/2019 16:06:03  
**To:** Creswell, Carl (Business Sectors - Services Directorate) [GRO]; Lambert, Gavin (Advanced Manufacturing and Services) [GRO]  
**CC:** Watson, Craig (Professional Business Services, Retail & Post Directorate) [GRO]  
**Subject:** RE: OFFSEN: Industry Meeting

Hi both,

Alex's office were struggling to find a time for this discussion to take place tomorrow, so we were called up to see Alex at short notice today. Readout below; Craig and I are of course happy to discuss with you both tomorrow.

Overall, Alex agreed that developing advice for SoS outlining the options that we think would meet Ministers' objectives is the right next step, in anticipation of another meeting on this later this week/early next. Craig is kicking this off. Alex confirmed we should lead and consult UKGI and that we will need views from others (particularly Legal).

#### POL management

- Alex noted clear Ministerial interest in refreshing POL management and advised that we:
  - Be ready to give our assessment of the candidates for CEO. *We should consult UKGI;*
  - Inform our advice to Ministers with an org chart showing changes to POL leadership 3 years ago VS now, to indicate that there has been quite a bit of recent change. *One for UKGI to produce.*

#### Litigation

- Alex advised that we frame SoS's steer as "wanting to be a responsible shareholder acting in the public interest". He emphasised the need to influence POL's strategy from this position (linking to potential impact on the long-term business), but to avoid taking operational responsibility or becoming shadow directors. Frame as "inviting the Board to think about new solutions";
- Noted that if the appeal is granted we should wait for that to be heard;
- On SoS's steer that BEIS should take the side of the postmasters, we need to carefully advise of the complexity here, including that some claimants have acted criminally.

#### Information sharing

- Alex encouraged us to resolve the issues around information sharing [which we have proposed to do through the Shareholder Framework Document] ASAP, as this is a relatively simple and solveable ask. *We will need to get UKGI to accelerate and prioritise work on the Framework doc and perhaps press POL – we can pick up with Tom C.*

#### CEO recruitment

- Alex agreed it would be best to influence the CST's decision ASAP. He advised that Jacqui (PPS) call her HMT counterpart to press the angle that SoS is supportive of an increased package and sees it as crucial to securing the right candidate. Next step would be a SpAd to SpAd call. *Craig has actioned with Jacqui.*

#### Daily Mail campaign

- Alex agreed no immediate action on us. *We are working with the comms team to pick up actions from Jacob on this.*

Best,  
Eleanor



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Business, Energy  
& Industrial Strategy

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**From:** Creswell, Carl (Better Regulation Executive) [REDACTED] GRO  
**Sent:** 04 June 2019 15:30  
**To:** Lambert, Gavin (Advanced Manufacturing and Services) [REDACTED] GRO; Watson, Craig (Advanced Manufacturing and Services) [REDACTED] GRO  
**Cc:** Beal, Eleanor (Advanced Manufacturing and Services) [REDACTED] GRO  
**Subject:** RE: OFFSEN: Industry Meeting

Many thanks from me, too. I'm sorry I wasn't available to join the various discussions today.

It'd be worth seeing if Patrick K could come along to the rescheduled meeting with Alex, I think, since he was helpful during my recent call with Kelly...

Carl



Department for  
Business, Energy  
& Industrial Strategy

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**From:** Lambert, Gavin (Advanced Manufacturing and Services) [REDACTED] GRO  
**Sent:** 04 June 2019 15:15  
**To:** Watson, Craig (Advanced Manufacturing and Services) [REDACTED] GRO; Creswell, Carl (Better Regulation Executive) [REDACTED] GRO  
**Cc:** Beal, Eleanor (Advanced Manufacturing and Services) [REDACTED] GRO  
**Subject:** Re: OFFSEN: Industry Meeting

Thanks Craig

Just discussed with Alex and we agreed to do the catch up him in the morning when Carl is back in.

Gavin Lambert

GRO

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**From:** "Watson, Craig (Advanced Manufacturing and Services)" GRO  
**Date:** Tuesday, 4 June 2019 at 15:07  
**To:** "Creswell, Carl (Better Regulation Executive)" GRO "Lambert, Gavin (Advanced Manufacturing and Services)" GRO  
**Cc:** "Beal, Eleanor (Advanced Manufacturing and Services)" GRO  
**Subject:** OFFSEN: Industry Meeting

Carl, Gavin,

A quick readout from the industry meeting on Post Office, which went on the agenda last minute. I attended with Tom Cooper, and Alex Chisholm was also there.

There is a 15min follow up meeting with Alex at 3:45 to discuss actions which you have been invited to Gavin – are you attending?

#### Litigation

- SoS (backed up by Kelly) has serious concerns about the direction of travel of the litigation and POLs handling of it. Referenced the first judgement and particularly the recusal application as evidence of poor judgment of the board. AC pointed out POL had received advice from senior QCs/previous chair of supreme court on the recusal application, Tom talked through the steps POL have taken since including changing legal team
- SoS gave a clear steer that he wanted the department to be on the side of postmasters (he said it felt like there were 'shades of Windrush' re: the potential for a number of injustices to come out) and wants a strategy on how we can take this forward. He wants to resolve this quickly given the damage it is doing to the reputation of POL. AC cautioned against any public statements that sets SoS (as sole shareholder) against POL and what that might mean in any settlement discussions.
- Kelly reiterated her concerns about the effectiveness of the Board, and about the information shared with her. She pointed to the fact that POL hadn't done any detailed work on the potential liabilities from the case as a concern.
- The CEO recruitment also came up and SoS is clear the issue over pay should be resolved with the CST ASAP. He mentioned taking it to the PM if necessary so Tom C is exploring what the best way to use SoS to influence this will be.

Actions SoS has asked for:

- A BEIS strategy to:
  - ensure the litigation is settled quickly and put BEIS on the side of Postmasters
  - resolve the CEO pay issue so we can recruit the best candidate
  - consider how we deal with the ongoing management of POL given the concerns ministers have on Board performance
- Eleanor and I had a debrief with Tom after and discussed some options for the litigation strategy SoS wants, many of which have pitfalls or legal considerations. I've agreed to write a first draft of what we discussed to share with legal etc, but will hold off until we have spoken to Alex.

#### Daily Mail campaign

- brief discussion on the Mail campaign on Post Offices, Jacob spoke to the DM yesterday and agreed they want to resolve this soon.

- Agreement that we have something to say against their 5 campaign asks (banking fees, commitment to network size) etc, Jacob is pulling a package together with the aim to get it to SoS tomorrow afternoon. We're checking in with Spads office to see if he needs anything further from us on that, we had a meeting in for 2pm today which he cancelled so that suggests not;

Let me know if you have any questions on the above, SoS talked about a follow up meeting this week or next so it looks like he wants to move at pace on this.

Regards,  
Craig



Craig Watson – Deputy Director  
**Professional Business Services, Retail and Post Directorate**

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