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**From:** Minister HOLLINRAKE (DBT)[/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=3F131AB4A1E443368F392D196C626FAE-5B2AC667-8A]  
**Sent:** Thur 28/03/2024 10:28:52 AM (UTC)  
**To:** Minister HOLLINRAKE (DBT) GRO  
**Subject:** Postmaster NEDs

Kevin: think you saw SoS yesterday?

Elliot: was enlightening. I think she was keen to get a steer on how things were going. Know she is speaking at the 10 at 10.

Saf: good to have Kemi there, the board appreciated it. Think people realised we are all pushing in the same direction. Got to try to do more of the right stuff.

Kevin: know we need to sort some issues from the past and of course the present, but it has a bright future. Post Office wouldn't be what it was without the postmaster. People talking about the reputation of post office, but my feeling is postmasters are more valued than ever. Keen to hear from your perspective how it is.

Saf: Will be situations in branches where the staff will be earning more than the postmaster. Due to minimum wage. the budget is -3 for postmasters, central costs 3.5% up. The system is broken and it is not postmaster centric. There are many reasons for that, one of them is central costs. Investment needed in order to cut them. Also other areas where postmasters should be treated better, concern raised yesterday was are we producing a horizon replacement or something 2030. We'd like licence to be more commercial. The 11500, understand no one is looking at that before the election, but that should be looked at.

Kevin: listen we are on the same page on central costs. We absolutely want to make sure those costs can be taken out for the business. don't want revenue to get stuck in the middle. In terms of remuneration - it's a 3.6% increase?

Lorna: in cash terms.

Elliot: the minimum wage going up is becoming a problem. The organisation is filled with good people but has lost strategic direction. Needs strategic review of number of branches. I'd like to look at them do a new model, how much does the postmaster need, the costs, and what's left runs the business. Proper review of what our purpose is and what we need to deliver it properly. Postmasters definitely not central to the budget.

2<sup>nd</sup> part of this is where is the post office, essential we get a view beyond 1/2 year cycle. What is the intent? Are we looking at a business with a great back office system and, is it mutualised is it profit share etc. I think a co-op structure is good. Maybe separate the historical stuff with the trading business. The work you've done for postmasters is really appreciated. Once the historical stuff is done, then we've got the basis of a business we can actually build upon.

Kevin: agree with what you've said, the top and bottom of it. I think your way of looking at it is good. What is the amount the average postmaster needs to earn, then after that work from there. Right to say politically right now we can't change that number (11500). We need to be realistic about the network going forward. Agree with points on revenue

opportunities, want to see more money coming out the banks into your coffers. In terms of big picture, leadership is really important. Apologies for the fallout from the situation from you two. I think you've met a couple of our candidates for chair, and that we've got good options. absolutely in terms of the governance, how they structure it going forward, big fan of mutuals. Keen to see how we'd bring someone in to take a look at it. What is the best structure? What are some of the pitfalls? NBIT obviously. There are things that get in the way but aren't immovable obstacles. All of these things are ongoing.

Elliot: It's the lack of a roadmap. We live in a neverland between sustainable business and social purpose. We can't do that because of the cost constraints. on the chair, we've met two of the candidates. both quality applicants, we have a standout choice. If that person were to come into the business i think it would be great. Think Nick would embrace it too.

Kevin: Who's your stand out?

Elliot: Nigel Railton

Kevin: how about you Saf?

Saf: Nigel by far was the standout candidate. Came across very confident. Whatever he is asking for let's go for it. We do need to look further forward. Once inquiry finished there is a solid business there.

Kevin: one the same page. That's our road to the roadmap, we can't do this for the post office it has to be done by the post office. But appointing someone who knows how to get from A-B. it won't just be this stasis. We want to give a feeling to the network we are going places. We want everyone to buy into that.

Elliot: Gives us a confidence for certain. one thing easy to forget, NBIT should be an enabler, enable us to be more efficient. there's automation which is lacking as well, which would be an efficiency drive. Self service etc.

Saf: the cash counters are only in limited branches, not network wide.

Kevin: what other automation?

Elliot: self serve kiosks. Royal mail opening lockers, 1500. Collect+ is 5000 sites. There's 8500 sites there. Need to automate our stores to help with the queues.

Kevin: Anything else on your mind.

Elliot: there's a decision coming to you on the make-up of the NEDs on the board.

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Elliot: my concern is that getting two new people up to speed is a bad idea given shape of the board. Want to leave behind me a better place than when I joined.

Saf: with NBIT in the air, the inquiry, It is very difficult to get postmasters to the level that they need to be at. not enough of them have the experience. Having two new individuals come in loses the oversight knowledge base.

Kevin: we will reflect on what you've said.

Lorna: have you got other suggestions about making the business more postmaster centric.

Elliot: there is a role for postmasters in a more executive role. Operating shareholders who work along the executive, it's more of a talking shop than a doing shop. We've been bought in sometimes and have asked for near executive level feedback. Should be a role for stewarding within the executive.

Saf: when it came to the investigations the new investigations unit that you should get postmasters involved in this team. So they get the tone and the culture right, there was no interest whatsoever unfortunately. Anything that impacts postmasters should have postmaster insight.

Elliot: that's why mutualisation.coop mindset is so important.

Kevin: think there needs to be a proper feedback loop. Reasons given. Keen to keep dialogue going if you need us to know anything.

ENDS

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