
From: Permanent Secretary[/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=3109B3DC828545FFBF265AAB4BEC9017-SECRETARY,]
Sent: Thur 02/05/2019 4:31:03 PM (UTC)
To: Mark Baker [GRO]
Cc: Permanent Secretary [GRO]
Subject: RE: Misuse of a Public Authority Grant
Attachment: LetterACtoMB.pdf

Hi Mark,

Please find attached a letter from the Permanent Secretary, Alex Chisholm. Apologies for the delay in responding to this letter. Alex wanted to take the time to ensure we could provide a substantive and accurate response on this complex matter.

Thanks very much for getting in touch,

Kind regards,

Ben

Benjamin Steyn – Private Secretary to the Permanent Secretary – Department for Business, Energy and Industrial Strategy

From: Mark Baker [GRO]
Sent: 20 March 2019 14:23
To: Permanent Secretary [GRO]
Subject: Misuse of a Public Authority Grant

Alex Chisholm
Permanent Under Secretary of State
Dept Business, Energy, Industrial Strategy.

Dear Mr Chisholm.

I am writing to you as a concerned tax payer and as someone who has over 40 years service within the Post Office Industry.

I note that you are the principle accounting officer with your department and I wish to bring to your attention a matter that I believe to be an inappropriate use of tax payers funding provided to the Post Office by the Government for Network Transformation. A program that the Government invested nearly £3 billion in.

My concerns are regarding funding the Post Office has provided to an organisation known as the National Federation of Sub Postmasters (NFSP) a Company limited by guarantee. Prior to

incorporating as a limited company the NFSP was a registered Trade Union but was struck off by the Certification Officer in 2013.

I am aware of past Freedom of Information requests where your department has admitted that they were aware and condoned the use of Network Transformation (NT) funding by the Post Office to pay the NFSP for their support for the NT program.

I am also aware of a recent Freedom of Information request where you had to write to the recently departed CEO of the Post Office Paula Venells to effectively ask for the return of £2.5 million of NT funding that the Company had ring fenced within their accounts to use for legal costs to support the High Court litigation that they are currently embroiled in and have just lost the first round of the 4 hearings associated with this case.

The point of my communication to you is that I am concerned that the Post Office is still using money that is provided by Government to finance a Grant Funding Agreement it has struck with the NFSP.

This Grant featured in the Judgement recently handed down by Justice Frazer in the first part of the High Court litigation the Post Office is currently facing.

The Judge was highly critical of the Grant Funding that the Post Office provides to the NFSP and declared that the NFSP was not independent of the Post Office as a result of this Grant and went on to say that the NFSP placed its own interests above that of the people it purports to represent.

This has to raise the question, is this a good use of money by a publicly owned company ?

The Grant is not insignificant it is a total of £2.5m per annum over the next 15 years and would normally be subject to EU procurement precesses. But the Post Office has channeled the funding via the Public Authority Grant process.

As you will know such Grants are subject to Cabinet Office guidance on the provision of such Grants, this guidance even applies to Arms Length Organisations (ALO's) which the Post Office is categorised as.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/722193/Grants-Standards-Guidance-INTRO.pdf

I recently challenged the Post Office about their non compliance with this guidance. Their response was that they did not consider that the guidance applied to them.

https://www.whatdotheyknow.com/request/compliance_with_government_guida?nocache=incoming-1291253#incoming-1291253

Given the past record of the Post Office of taking liberties with Gov provided funding I would be obliged if you would conduct an inquiry into the Grant Funding Agreement that the Post Office has with the NFSP to ascertain its legitimacy and given the comments by the Judge in the High Court decision recently handed down, its actual purpose.

Yours sincerely

Mark Baker

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Larkhill
Salisbury