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**From:** White, Beth (Better Regulation Executive)[/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=8855640151E546E7A8CC09E926249CB6-WHITE, BETH]

**Sent:** Tue 30/07/2019 4:34:51 PM (UTC)

**To:** Tolhurst (Private Office) GRO Permanent Secretary GRO Creswell, Carl (Other... ) GRO Cooper, Tom - UKG GRO

**Cc:** Vandini, Cecilia (Advanced Manufacturing and Services) GRO Beal, Eleanor (Advanced Manufacturing and Services) GRO Munby, Sarah (BEIS) GRO

**Subject:** Official sensitive - Commercial: Post Office bonuses - Permanent Secretary call with POL

Official sensitive - Commercial

All

Alex Chisholm took a call this afternoon with Tim Parker, also on the line were Ken McCall and Tom Cooper, to discuss the bonus position.

Tim recognised the difficult position for government, and coming out of the litigation that there is a contingent liabilities charge that will reflect into next year's POL accounts, rather than the current set of accounts, but felt that the 5% increases that the previous/current CEOs would be offered under the proposal would be reasonable due to the transformation and profitability of the organisation. He raised that the bonus pot would reflect that to the executive, and also 1,400 staff, including leavers which had letters with specific offers. The long-term, confidential, proposal would be that bonuses for next year, when any liability was realised would be amended to reflect those costs.

Alex raised that Justice Fraser had been very critical of the leadership of the Post Office, and the High Court supported this view. That whilst the liabilities may be for future accounts, they are very critical of the leadership of POL, and the executive have a role to play. If large payments were made to the executive this year, then there would be no holding to account those who have overseen the litigation, part of the role of the CEO and CFO. Whilst the quantum of costs is not currently known, serious failings have been found and it's likely to be tens of £millions. Alex concluded his comments with the point that those who had the capacity to oversee the issues raised in the litigation, the senior team, should have this reflected in their discretionary bonus this year, with a substantial reduction to the discretionary element, and also reflected in next year round. Alex viewed that those below the senior team, this year, should not take a hit on their bonus.

Tim will now consider this discussion.

Kind regards  
Beth

Beth White



Deputy Director, Post Office Policy and Sectors Briefing Hub

GRO

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Working pattern: Tuesday, Wednesday, Thursday

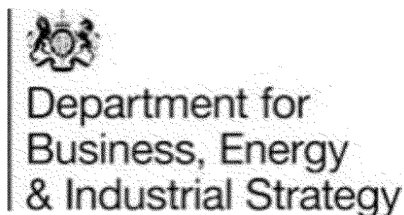
**From:** GRO  
**Sent:** 30 July 2019 10:00  
**To:** GRO Tolhurst (Private Office)  
GRO; Tolhurst (Private Office) GRO  
Permanent Secretary: GRO  
**Cc:** Vandini, Cecilia (Advanced Manufacturing and Services) GRO Creswell,  
Carl (Other....) GRO Cooper, Tom - UKGI GRO White,  
Beth (Better Regulation Executive) GRO Beal, Eleanor (Advanced  
Manufacturing and Services) GRO  
**Subject:** RE: Post Office bonuses- next steps

Hi GRO

Carl is on leave, so copying in Beth and Eleanor.

Best wishes

GRO



GRO

GRO

Professional Business Services, Retail and Post

Extn GRO Tel: GRO

GRO

1 Victoria Street (Level 4, Spur 2) London SW1H 0ET

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**From:** GRO GRO  
**Sent:** 30 July 2019 09:57  
**To:** Tolhurst (Private Office) GRO Tolhurst (Private Office)  
GRO; Permanent Secretary GRO  
GRO  
**Cc:** Vandini, Cecilia (Advanced Manufacturing and Services) GRO Creswell,

Carl (Other....) [GRO] Cooper, Tom - UKGI [GRO]  
**Subject:** RE: Post Office bonuses- next steps

Dear All,

Please could you let me know what times Alex, Kelly & Carl would be available for a meeting this Friday regarding below, which can be via telephone.

Thank you.

Kind regards,

[GRO] PA to Tom Cooper, Director | Tom Aldred & Anna Payton, Executive Directors |  
**UK Government Investments**  
1 Victoria Street | London | SW1H 0ET

T: [GRO]  
E:

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**From:** Cooper, Tom - UKGI  
**Sent:** 29 July 2019 18:17  
**To:** Tolhurst (Private Office) [GRO] Permanent Secretary  
[GRO]  
**Cc:** Vandini, Cecilia (Advanced Manufacturing and Services) [GRO]; Creswell, Carl (Other....) [GRO]; Aldred, Tom - UKGI [GRO]; [GRO]  
[GRO]  
**Subject:** Post Office bonuses- next steps

I've spoken to Tim Parker and Ken McCall this evening. The payment of bonuses will now be deferred pending the discussion with BEIS requested in Alex's letter to me.

Tim and Ken have asked for a meeting to hear BEIS' perspective first hand and give their views. Given the timing of bonus payments in the organisation there is some urgency. At the moment they are holding all payments throughout the organisation on the basis that BEIS might want bonuses to be reduced for all employees. If, on the other hand, this is really a discussion about senior executives that would be good to know as it would allow the company to pay other employees in the usual way.

I'm assuming Kelly and Alex would both attend. I've asked Lily to contact your offices to get some dates and times for a meeting as soon as can be arranged.

Tom

Sent from my iPhone

On 29 Jul 2019, at 16:03, Permanent Secretary [GRO] wrote:

Dear Tom,

Please find attached a letter from Alex regarding POL bonus payments.

He wanted to flag that any counter-suggestion should inform us of the legal obligations Post Office are under for staff bonus payments, and give info on the breakdown of payments to sub-board level staff (is everyone paid the same rate? What have payments been in recent years? etc.).

Kind regards,

Ben

<image001.png><image002.jpg>

Benjamin Steyn  
Private Secretary to the Permanent Secretary  
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