



**Department for
Business, Energy
& Industrial Strategy**

Paula Vennells

[By email]

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Dear Paula

I am pleased to hear of the good work and progress being made towards delivering your transformation programme, enabled by the funding provided by BEIS. The immediate and measurable benefits of this programme should make viable the achievement of our shared ambition of putting Post Office in a sustainable financial and operational position, with HMG's aspiration for POL to be free of taxpayer support beyond 2021.

As you will be aware, the Minister wrote to Tim Parker on 20 December 2017 to set out the basis for providing transformation funding to Post Office and her expectations on how this was to be used. The Minister emphasised the need for funding to be used prudently and efficiently in accordance with the objectives of the three-year strategic plan whilst recognising the need for some flexibility for a commercial business engaged in investment projects.

In your recent funding request, you indicated that you intended to use BEIS funds for non-transformation related spend specifically in relation to the ongoing Horizon Litigation. I understand that this is now no longer the case and UKGI have communicated to your team the requirement for BEIS funding only to be used against those projects which are related to transformation or approved investment activities.

As Principal Accounting Officer, I am personally responsible for ensuring the department has a high standard of governance and exercises effective controls over the management of resources, including those through its partner organisations. So that I may have ongoing assurance that BEIS funds entrusted to Post Office are being used as the Minister intended, please can you confirm this on a quarterly basis in arrears. UKGI will provide you with further details on the exact wording and format for how this assurance is to be provided.

I wish you and Post Office continued success in delivering the transformation programme.

Kind regards

GRO

Alex Chisholm