

Briefing for 1-2-1 with Tim Parker
12 October 2015

Agenda

1. Induction follow up
2. NED appointments
3. Sparrow and BNR
4. Issues arising from September Board Meeting
5. October Board Meeting
6. Ways of Working

Induction follow up

This is your first 1-2-1 with Tim since he officially began at Post Office. Alongside agenda items it is an opportunity to pick up his reflections on his induction having had a little time to reflect on what he has seen and heard.

Alwen has sent through most of the additional information requested in the induction meetings (copies attached). Additional information on network will be sent this week.

Tim has a follow up meeting with Martin Edwards to discuss Strategy in preparation for the Board. You have seen the slide that Martin has produced for that meeting and commented subsequently (as has Al). The meeting takes place immediately after yours. You may want to take the opportunity to flag that the breadth of the challenges and opportunities we face and there is a need to maintain a clear sense of priorities.

NED Appointments

This is an opportunity to get an update on Tim's thinking around ARC and SID appointments. The last feedback from Jim Hinds is below (received on Thursday).

"I am trying to debrief with Tim who met the last candidate, Ken McCall, who he liked a lot. He feels he has seen some very good candidates and has a good choice. He thinks he has 4 credible SID candidates in Garmen, McCall, Hughes and Murphy. The first two are from a logistics background. The other two have FS/Retail and have depth in NED. I think he is ready to go for Carla for Audit but again need to talk this through vs SIDs."

NB BIS are trying to set up a call between BNR and TP on this issue for Wednesday. Not confirmed yet.

Sparrow and BNR telephone call

You sent Tim a message on Friday morning re Sparrow which he subsequently acknowledged (attached).

[speaking notes]

I pledged to report back:

- The call was useful in order to:
 - Update BNR on a range of positive developments for POL eg Crown breakeven, 5000 NT, Hawk etc
 - Tease out why she felt compelled to meet Second Sight
- I was as robust as I felt I could be in pressing for a delay in her deciding to meet with Second Sight and Sir Anthony Hooper for the reasons set out in my note (as robust as I have ever been with a Post Office minister).
- Positively, she has agreed not to meet Sir Anthony Hooper for now (and probably at all).
- But she was very frank that she felt under pressure to address James Arbuthnot's concerns and requests – including by reference to Oliver Letwin who has clearly become more active again in the background of the campaign as a constituency MP (we met him approx. a year ago to discuss his case and he stepped back).
- She is concerned about JA's maiden speech in the Lords and believes that in agreeing to meet SS she has the greatest chance of resisting Parliamentary pressure to intervene further – at least until TP's review is complete.
- There was some acknowledgement of the potential impact on mediations of her decision – in response she said that she felt an early meeting with SS, being clear with them that it was private, would offer some mitigation. Neither we nor BIS believe that it will stay private.
- It was clear that she had made her mind up and we agreed to disagree. That said, the call was cordial and ended on good terms.
- My concerns about her decision on both your review and the mediation process remain.
[and I have written to acknowledge my gratitude for the call and remaining concerns about the mediation process]

[end of speaking notes]

I do not believe there is much to be gained from trying again – BNR's mind is made up. But if TP feels very strongly, their call (potentially on Wednesday – see above) offers an opportunity.

As you are aware, Jane and team have met with the QC supporting TP to provide information and answer questions. I am sure it is all in hand, but you may wish to encourage TP to raise any concerns about eg information / support with you at any points that he has them. The team also have it in hand, but I am the only remaining member of the Working Group Secretariat, he is welcome to contact me at any point re questions / clarifications etc.

BNR did not raise the issue re: Buzzfeed / Lyca mobile. We continue to monitor it.

Issues arising from September Board Meeting

September's Board meeting considered a number of important issues, not least signing off the Hawk transaction. You will be keeping the Board informed via the CEO report on the many people issues that were raised, including pensions.

It might be worth saying that:

- You did write to Mark Russell re the Spending Review and received a letter in acknowledgement. Nothing in your call to the Minister suggested that there was cause for greater concern [the SR is scheduled for 25/11/15]
- we have followed up on the issue of proximity to the 11,500 branches threshold. Kevin has a weekly dashboard to ensure that we do not get any closer to it from the 11,582 highlighted at the Board, and indeed to gap should widen again. He has business cases for eg additional vans that would deliver 17 new branches and we are exploring around 20 greenfield opportunities.

October Board Meeting

This is an opportunity to flag key issues ahead of the October Board meeting on 28/10/15. In addition to the regular CEO and Financial reports, the agenda for October is:

SGEI, network strategy

Martin's meeting immediately afterwards offers an opportunity to frame the Board paper and discussion / ask questions.

There is a question about how we influence the scope of the consultation and how far we seek press for changes to the existing operating framework eg the 11,500 figure and access criteria more generally. Ownership is probably not in scope but should be kept in mind in looking the issues that are. Dialogue with BIS is open and constructive – they are actively seeking our views.

Mails

You will just have come from a meeting with RMG ahead of the January negotiation. In addition, the tender meetings for the negotiation support are taking place today (Monday).

You may want to see how much further TP's thinking has developed on mails.

In addition, you may want to propose a Board to Board or Chairman to Chairman dinner / meeting.

Banking services

We are due to go live with the banking framework with the first banks this month including HSBC. Barclays and, especially, Lloyds have been more resistant. You have contacted the CEO of Lloyds and Nick is following up this week.

Ways of Working

Would Tim like an agenda in advance for these meetings? Or if he is content, I propose that I (Tom) should contact him in advance asking if there are issues he wishes to cover, and highlighting key issues you wish to but maintain a more informal approach.