POL00373845

Message

From: Martin Edwards GRO
Sent: 20/02/2014 00:09:53
To: Paula Vennells GRO
Subject: PRINTED AND IN B/FS FOR MTG ON 24/2 RE: Richard Callard - Shareholder Executive/BiS & new NED

Thanks Paula – I think this email is very timely in helping to set the tone with the ExCo on the Shex relationship – some of them are (understandably) getting a little frustrated about the amount of time that is being taken up by meetings with Shex. There's obviously a balance to be struck and probably some examples where we can legitimately push back on Shex demands – but good for everyone to be reminded about why it's right that we're held properly accountable.

On a separate but related topic, it's just struck me this evening (belatedly) that I, Alwen or Chris D (or a combination of all three) need to get into the discipline of reading the draft Board papers with a specific focus on checking for Shex sensitivities, now that RC will be receiving them. There are numerous small points we need to watch out for. I'll read through the ones I haven't checked in the morning, kids permitting.

NB on your point below about Sparrow, Belinda and I met RC yesterday afternoon so he's now fully up to speed (and understands why this was high on your list of things which keep you awake at night!). He now has a good understanding of the handling issues around SS and the scenarios in which we may need further support/cover from Ministers. I can brief you in more detail on Monday.

Martin

From: Paula Vennells
Sent: 19 February 2014 14:30
To: Neil Hayward; Chris M Day
Cc: Martin George; Nicholas Kennett; Kevin Gilliland; Mark R Davies; Martin Edwards; Alwen Lyons; Chris Aujard; Lesley J Sewell
Subject: Re: Richard Callard - Shareholder Executive/BiS & new NED

This is really helpful Neil, thank you.

Richard asks the right questions. It's good to be reminded that we are now in a different phase with government - Will Gibson did an excellent job in supporting us through the strategy and funding requirements, Richard has the job of making sure that government gets a return for that. We are in the delivery phase and (within BIS) he is accountable. We need to make him comfortable and confident that we will deliver what we set out to.

The quarterly Shex review is coming up next week, I expect Richard will be back from GRO leave and I would like us to be well prepared for it. (And if he is still away, it will be a good dry run.) In my mind there are two aspects: firstly, that we share what is going well to build confidence - there is progress across all areas flagged below, some with more or less risk attached; and secondly, we discuss openly where the risks are and explain mitigation. Richard will not run the meeting as informally as Will: he has a different style and is working in a changed context, and I want his first impressions of the PO ExCo to be set high.

We need to be confident of our track-record, professional and well planned, ie., anticipating the challenges below before they are raised and being prepared to discuss plans and contingencies related to them, and of course, completely on the numbers. I am in no doubt we can do this and am flagging my expectation now, as each of you will need to put time aside - none of the challenges below are new to you but they will need some additional preparation time to deal with them properly with government. And although I don't know this for sure, I expect we will get more formal minutes as happened after my first meeting with Richard. Again, a good thing - we are accountable for delivery against public funds.

Richard's scope has not yet picked up Sparrow or Business Transformation. It will as he is attending next week's Board meeting. But as this is the case, I suggest that we leave them off the Shex review agenda as he will be well briefed by then.

Please can Chris circulate an agenda (draft is fine), attendees and outline requirements for each ExCo director by end of play Friday, so that colleagues have time to think about this. (If anyone thinks a dry run would be a good idea - please let Chris know.)

Finally, I have a monthly 121 with Richard on Monday and will let you know if anything more immediate emerges.
Many thanks,
Paula

Ps. I want as few attendees as possible, ie., accountable directors only - so am not anticipating Lesley, or Chris A as your main areas are unlikely to come up; and Mark - we might be better waiting for the next one to cover Mutualisation/POAC. But everyone is copied as you will all be needed at one soon and Chris will confirm attendees for next week asap.

Sent from my iPad

On 19 Feb 2014, at 13:34, "Neil Hayward" GRO wrote:

FYI – I recently met with Richard during his induction and mine to the Post Office.

He provided me with some insight on the things that interest him. So, as he catches up with the rest of us, I thought I should share what I learnt so that we can each prepare accordingly (of course you may already know all of this and if you do, sorry!):

- The Post Office is hugely politically important. Whilst it is probably the third biggest of the c 20 or so businesses being managed through the Shareholder Executive, it carries the highest profile. Everything that we do has the potential to create issues for ministers. This is partly why he/they will always ask us detailed questions. He also explained that HM Treasury applies pressure to ensure that the investment in the Post Office is doing what we/they said it would do.
- Network Transformation is therefore critical. He is keen to discover if the new formats we are rolling out will/are leading to better service/revenue growth. Equally Ministers are mindful of the local politics of decisions to change formats or shape of the network. We can expect him to be interested in the detail of this – on an on-going basis. In particular stakeholder engagement – NFSP.
- Mutualisation – Whilst this has been of particular interest to Liberal Democrats in the past, explaining what we really intend from the 20/20 strategy and how we are going to create mutual ways of working (and how this translates into future ownership models) will, in his view, require us to do more work this year, and ensure this work is understood and supported by other political parties. He sees the launch of our public purpose as a first step, and the POAC as a vehicle through which mutualisation can be explored.
- Business Risk – Mails – He is interested in how the commercial relationship with the Royal Mail is developing post separation, with an eye on the Mails contract and the risk of this needing to be or being re-negotiated. He wants to be assured that we are preparing for potential difficulty/different scenarios.
- Business Opportunity – FS – He thinks that this is an opportunity to accelerate growth plans and will be interested in the detail of our plans.

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- Government Business – He seemed to support the idea that the Post Office should have a deeper relationship with branches of Government – as a means of developing business. He thinks we need to get close to and understand what the Government Digital service unit is intending as this is a risk.
- State aid/EU rules – He himself has to make sure that the funding agreement now put in place for the Post Office fits within the framework laid down by the EU – and ensure it is approved. He wasn't suggesting this would be a problem, but that it might create a workflow for him and us.
- Remuneration – we discussed the scorecard and the various issues re thresholds – and he welcomed the meeting that is now in his diary for 6th March.

This was a good conversation. The inference I draw though is that he will want to get underneath the surface a bit.

Hope this helps.

NEIL

Neil Hayward I Group People Director
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