

**From:** "Minister HOLLINRAKE (TRADE)" <GRO>

**Sent:** Thur 25/05/2023 10:56:43 AM (UTC)

**To:** "Briant, Will (BSG - Business Resilience)" <GRO>, "Baird, Ed (Business Sectors - Services Directorate)" <GRO>, "Stockbridge, Rebecca (BEIS)" <GRO>, "Lovesey, James (Business Sectors - Services Directorate)" <GRO>, "Michael, Elena (Business Sectors - Services Directorate)" <GRO>, "Nugent, James (Policy Strategy & Private Office)" <GRO>, "Ralph, George (BEIS)" <GRO>

**Cc:** brooks-white <GRO>, "Brightwell, Rob (Business Sectors - Services Directorate)" <GRO>, "Creswell, Carl (Business Sectors - Services Directorate)" <GRO>, "Bickerton, David (Business Sectors DG Office)" <GRO>, "Perm SEC (TRADE)" <GRO>, "Minister HOLLINRAKE (TRADE)" <GRO>, "Secretary Of State INTERNATIONAL TRADE (TRADE)" <GRO>

**Subject:** Readout - Minister Hollinrake & Nick Read monthly meeting 25.05.2023

Hi team,

Thank you for preparing the briefing and supporting in the meeting. Please find below my readout – let me know if you have any edits.

**GLO team** – could you let me know the timings/ details for the IAB meeting next week please?

**Details:** 10:00-10:30, Minister Hollinrake's meeting room, OAB

**Attendees:**

Minister Hollinrake (KH)  
 Nick Read, CEO POL (NR)  
 Richard Taylor, Group Corporate Affairs, Communications & Brand Director, POL (RT)  
 Simon Recaldin, Historical Matters Director, POL (SR)  
 Lorna Gratton, UKGI Director and POL NED (LG)  
 Carl Creswell, Director, DBT (CC)  
 James Lovesey, Senior Policy Advisor, Post Office Compensation DBT (JL)  
 Cora Sweet, Private Secretary

**MEETING STARTS**

Bonus issue update

- NR explained that the POL Board had an emergency meeting last night to review the report written by Amanda Burton (AB), new Chair of RemCo into the issue. He summarised the main themes of discussion during the Board meeting:
  - LG pushed hard for AB to change the tone of the report so it shows more remorse, and AB said she would reflect on this.
  - The Chair was keen that the report has clear actions, and LG pushed for one of them to be removing bonus metrics to do with the inquiry.
  - There was lively debate about handing back the bonus. NR has spoken to everyone involved, suggesting that they return the money. From a legal perspective, the approach will be voluntary not mandatory. NR will engage with the SMT further on this and provide an update.
- NR said that AB is still committed to giving KH the report by the 26<sup>th</sup> and the Chair will write to KH.

GLO update

- KH said he'd seen that Alan Bates has been critical of the slow pace of the scheme and pointed towards disclosure as the issue.
- SR said the issue is not the slowness of disclosure at present (POL has committed to 32 weeks as an end-to-end process). The issue is that they are waiting for cases to come in, as the process of disclosure can only properly start once cases are received. SR said in the meantime, his team is collecting the base data that they know they will need. SR said his team are working at risk as POL hasn't received payment for this work yet.
- CC said POL received the contract in January; the delay has been on due to going back and forth on the specifics. But he understands POL is currently operating at risk.
- KH said he feels we need to be getting on the front foot here comms-wise. If the issue is that cases aren't coming through, then we should say this. SR said he will take this onboard, as how Alan Bates described the situation is slightly misleading.

POL comms & the role of the Central Investigations Unit

- NR explained that as the Inquiry is moving into phase 5, going into the specifics of what went wrong, he may need to rethink his approach to comms. His position so far has been to be relatively quiet e.g. not speaking to Nick Wallis. KH said he thinks NR should be engaging.
- NR said the team in the Central Investigations Unit (CIU) asked permission to resume unannounced visits as part of their investigations (which were paused due to covid), and he asked to take a raincheck. NR said he needs to think carefully about how to engage with postmasters about this, as POL needs to have the ability to do investigations as it has over 11,500 branches, however perception amongst postmasters is important. KH agreed that POL needs this investigative function.
- KH said that the issue could be managed with a culture change at POL, with NR speaking publicly about how the organisation has changed. Remuneration will also be important here. KH asked if POL have scrutiny in place over their investigations, and NR confirmed that there is.
- LG asked if there was anything NR could do to involve postmasters in the process, and NR said he will involve postmasters in decisions not just around investigations but other issues (products, services, remuneration).
- KH asked if NR has a formal advisory council. NR said they don't, but have separate forums they engage with. KH suggested setting up a representative group with postmasters across the UK. NR said that was tricky as the NFSP believe they are the representatives. KH said NR could involve the NFSP here.

Independent Advisory board

- SR said he met Lord Arbuthnot and Kevan Jones from the Independent Advisory Board (IAB) a few weeks ago, and Lord Arbuthnot strongly suggested that SR speaks to Nick Wallis, which he is considering currently.
- SR asked for clarity on the role of the IAB in terms of oversight of POL-run schemes. The IAB is requesting certain documentation which is subject to disclosure and require confidentiality statements. The IAB members are refusing to sign these, but Hudgells are refusing to release the information without a confidentiality statement. SR asked if he's answerable to the IAB.
- CC explained the IAB have an advisory role to the Minister and are not a governance group. In order for them to be credible, DBT is showing our workings with them and sharing as much as we can. KH asked what the IAB are worried about with signing these statements. CC said it's because they don't want to be constrained about publicly commenting on things.
- SR said he'd welcome the IAB's advice/ counsel, however Hudgells won't let him share a redacted version of the principles and the Early Neutral Evaluation.
- CC said the next IAB meeting is next week; KH said he would attend this and try to help with this issue.

POL finances

- NR explained the POL Board will meet next week on funding, and POL will talk to DBT and UKGI over the summer about implications.
- LG added that POL needs to sign its annual accounts in July.
- KH said that looking forward, there's an understanding that the network will need to look different in the future. There's justifiable criticism right now about central costs.

- KH asked if NR is considering a minimum viable product for the Horizon replacement. NR said he can't afford to get this wrong, given the Inquiry and questions over the rollout last time. NR offered to do a deep dive with KH over the summer about this.

#### Deposit limits

- KH asked if there was an update on deposit limits. NR said the situation is much the same; he met with the CEO of Santander who said he isn't willing to change his policies because he received a fine from the FCA in the past and doesn't want to risk it again.
- KH said that aligns with EST's view which is that the issue is now with the banks, not the FCA.

#### **MEETING ENDS**

**Cora Sweet** | Private Secretary to Kevin Hollinrake MP, Minister for Enterprise, Markets and Small Business  
**Department for Business and Trade** | Tel:  E-mail: