

From: "Minister HOLLINRAKE (TRADE)" <[REDACTED]>
Sent: Tue 18/04/2023 5:18:31 PM (UTC)
To: "Briant, Will (BEIS)" <[REDACTED]> "Creswell, Carl (Business Sectors - Services Directorate)" <[REDACTED]>
Cc: "ed.baird" <[REDACTED]> "Stockbridge, Rebecca (BEIS)" <[REDACTED]> "Barnaby, Jessica (Business Sectors - Services Directorate)" <[REDACTED]> "brooks-white" <[REDACTED]> "Bickerton, David (Business Sectors DG Office)" <[REDACTED]> "Perm SEC (TRADE)" <[REDACTED]> "Brightwell, Rob (Business Sectors - Services Directorate)" <[REDACTED]> "Minister HOLLINRAKE (TRADE)" <[REDACTED]> "Secretary Of State INTERNATIONAL TRADE (TRADE)" <[REDACTED]>
Subject: Readout - Minister Hollinrake & Post Office CEO monthly meeting 18.04.2023

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.

Details: 12:30-13:00, Minister Hollinrake's meeting room, OAB

Attendees:

Minister Hollinrake (KH)
 Nick Read, CEO POL (NR)
 Richard Taylor, Group Chief Retail Officer, POL (RT)
 Tim McInnes, Director of Strategy and Transformation, POL (TM)
 Carl Creswell, Director Business Resilience, DBT (CC)
 Will Briant, Senior Policy Advisor, DBT (WB)
 Lorna Gratton, Director, UKGI (LG)
 Cora Sweet, Private Secretary

MEETING STARTS

POL Funding/ Finances

- NR raised the fact that the Perm Sec had made the decision to withhold the funding, and asked for KH's opinion. KH said that he, HMT and Perm Sec are keen to see a plan from POL about its funding ask, and know that the Horizon Replacement is a concern.
- NR said that the funding ask won't be ready / approved by the Board until June. The main issues are:
 - Horizon replacement – POL underestimated the cost of this;
 - Inquiry costs – the inquiry is overrunning and timescales are uncertain; and
 - Compensation costs, though POL has more of a handle on this.
- NR said that as DBT is withholding funding to POL, POL will need to be careful if asked at the Inquiry about whether POL is now out of contract with the Department. CC said that DBT holds a different view on this, and DBT may seek legal advice on this. LG explained that UKGI and DBT officials are working together to provide the reassurance to the Perm Sec about cost controls.
- KH asked how POL is going to try to find a number that they are comfortable with for the cost of replacing Horizon. NR said that they are considering more of a modest approach rather than something transformative e.g. not rolling it out to all 11,500 branches, and opting for the minimum viable product. Another issue is that we don't know what the future of POL will be and designing a system that will work for POL in decades to come is difficult.

- NR said that another pressure was the Inquiry, which is going to scrutinise the rollout of the Horizon replacement; POL needs to ringfence/ compartmentalise this piece of work.
- TM confirmed that POL will have a formal funding request in June, and in the meantime engagement can continue. LG confirmed that what UKGI needs is cost and time assurance for this funding request, not just quality assurance, which is what she's seen so far.

Banking hubs

IRRELEVANT

- KH asked NR his views on co-locating banking hubs in existing post offices, and NR said that this idea is more a 'phase two' one – need to make the case for banking hubs first and make that credible to the banks before doing this.
- RT said this is an opportunity for a more mixed, viable interesting network. NR agreed and said there's opportunity for some post offices to have different offers e.g. cash and banking, parcel and travel, all in one place.
- RT invited KH to visit the Banking Hub in Cottingham, KH confirmed he'd like to visit and could do it on the same day that he's visiting Hull and York (2 June).

Deposit limits

IRRELEVANT

Compensation and parity across schemes

- NR raised concerns that POL currently does not have a contract with DBT to deliver the GLO work on disclosures, plus the disclosure asks have been disproportionate and not the same as the other schemes. CC confirmed that the contract is nearly ready, but is being reviewed by legal advisors. CC acknowledged the issue with the disclosure and said DBT had brokered a solution with Freeths which should resolve the issue.
- NR said that he feels pressure to prioritise GLO work over other work e.g. due to resource re-allocation, which is not appropriate. LG said that we need to make sure the schemes are delivering similar outcomes for similar detriments, and UKGI/ DBT should look into commissioning a third party to do some sampling which could be anonymised. KH supported this idea, and said the Independent Advisory Board could review this.
- NR said he's concerned about the Independent Advisory Board as some members are saying that the Historical Shortfall Scheme might need to be unpicked and started again. The Independent Advisory Board should be handled carefully as there are reputational risks for all parties involved if this happens. LG said that the Board should be solutions-focused.

MEETING ENDS

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