

---

**From:** Paula Vennells [GRO]  
**Sent:** Thur 20/02/2014 6:23:48 PM (UTC)  
**To:** Alice Perkins CB [GRO]  
**Subject:** Fwd: Richard Callard - Shareholder Executive/BiS & new NED  
**Attachment:** image002.png  
**Attachment:** image001.png

Hi Alice, I hope you are having a great holiday.

Three quick updates before we meet next week:

Firstly, I wanted you to see the note below. It is self-explanatory but I thought it was needed at this point as Richard Callard joins us.

Secondly, and probably most importantly, I have managed to get (separate) meetings in my diary on Monday with SS and with Tony Hooper, so we should be better informed for our 121 and for the Board discussion. I am crashing Monday am diary to prepare.

Lastly, I know that Alwen has been in touch to let you know that we have flagged a couple of confidential points that are not covered in the Board papers to the NEDs. The first you knew about re SS; the second was my request re the Business Transformation Director, which Neil is now working on (and knows the urgency!). I have also gone through the Board paper on Business Transformation, partly because I wanted to make sure it had my input and partly to make sure we have picked up as much input from Tim as possible. He had a very good meeting with Neil Hayward and I also had a long chat with Tim last Friday. I'll update you properly when we meet.

That's all for now. See you on Tuesday.

Sent from my iPad

Begin forwarded message:

**From:** Paula Vennells [GRO]  
**Date:** 19 February 2014 15:29:56 CET  
**To:** Neil Hayward [GRO], Chris M Day [GRO]  
**Cc:** Martin George [GRO], Nicholas Kennett [GRO], Kevin Gilliland [GRO], Mark R Davies [GRO], Martin Edwards [GRO], Alwen Lyons [GRO], Chris Aujard [GRO], Lesley J Sewell [GRO]  
**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.
- 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 6<sup>th</sup> 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 | Group People Director  
<image001.png>

148 Old Street, London, EC1V 9HQ

Tel: GRO

Mobile: GRO

[neil.hayward](mailto:neil.hayward@postoffice.co.uk) GRO

[postoffice.co.uk](http://postoffice.co.uk)

[@postofficenews](mailto:@postofficenews)

<image002.png>

---

\*\*\*\*\*

This email and any attachments are confidential and intended for the addressee only. If you are not the named recipient, you must not use, disclose, reproduce, copy or distribute the contents of this communication. If you have received this in error, please contact the sender by reply email and then delete this email from your system. Any views or opinions expressed within this email are solely those of the sender, unless otherwise specifically stated.

POST OFFICE LIMITED is registered in England and Wales no 2154540. Registered Office: 148 OLD STREET, LONDON EC1V 9HQ.

\*\*\*\*\*