UKGI00016748

Shareholder Executive
HM Government

Commercial – In Confidence

Minutes of Shareholder Executive Board

Tuesday 9 July 2013 at 15.00

Members present:	Patrick O'Sullivan (Chair) (POS) Claudia Arney (CA) Lord Carter (PC) Gerry Grimstone (GG) Jeremy Pocklington (JP) Tony Watson (TW) Roger Lowe (RL) Ken McCallum (KMC) Anthony Odgers (AO) Mark Russell (MR) Ceri Smith (CS)	**Attendees:**	Mark Boyle (MB) Fiona-Jane Macgregor (FJM) Patrick Magee (PM) *(item 4)* Keith Morgan (KM) *(item 4)*
		Secretary:	Peter Batten
		Apologies:	None

1. **Apologies for absence, Chair's welcome and introduction, minutes from last meeting, declarations of interest**

2.

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2.6. AO explained that Post Office Ltd has presented a revised strategy to Ministers that seeks permission to move its branch modernisation programme from a voluntary to mandated approach. AO noted that a voluntary approach would not result in the desired reduction in taxpayer subsidy, and there was no policy benefit to subsidising uneconomic branches. However Board noted that a mandated approach was politically difficult to deliver.

2.7. AO was clear that completing the modernisation programme is critical to the future competitiveness of the Post Office. In response to PC's question, AO explained that the Post Office's long term goal is financial sustainability, and eventual mutualisation. TW suggested that this was ill-defined. Board is due to receive an update on Post Office strategy in September.

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2.9. RL provided an update on the Royal Mail transaction, noting the intention to sell a majority of shares this year. RL noted that the CWU had not engaged with the process as hoped, particularly on the employee share offer. Board noted that assuming a transaction value of £3 billion, the employee share offer would be worth around £2,000 to each eligible member of staff.

2.10. MR noted that the transaction process has, to date, run more smoothly than initially expected, suggesting this was in part due to good quality engagement between the company and investors. However, MR also noted that further precautionary work on a back-up strategy was necessary.

IRRELEVANT

3. Cross government working

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4. Business Bank

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5. Nuclear Decommissioning Authority

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6. AOB

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7. Actions

Outstanding actions				
Action ref.	**Action point**	**Action officer**	**Due date**	**Status**
13/11	Full Board paper to consider Post Office Ltd commercial strategy.	AO	Sept / Nov 2013	An interim update is provided in the CEO report of these papers.

IRRELEVANT

ShEx Board Secretary