

1 | OFFICIAL - SENSITIVE - COMMERCIAL

Note of meeting with Tim Parker on 26th January 2016 at 9:30 am

Present:

2 | Baroness Neville-Rolfe – ~~Minister for Intellectual Property~~Post Office Minister

Tim Parker – Chairman of Post Office Limited

Laura Thompson – Assistant Director, Shex

Andrew Smith – Private Secretary

Main points:

- 3 | • TP updated BNR on his views of the business after 4 months in post. Current main issue is
4 | the Royal Mail contract, which runs until 2022 but is open for renegotiation in the next
5, 6 | couple of years. ~~Concerns that they Royal Mail~~ may look to disintermediate the Post Office,
but there may also be benefits to Post Office in removing the exclusivity with Royal Mail.
- 7 | • In the medium term the parcels market offers a good opportunity to be a convenient drop
8 | off point for parcels. However need to bottom out relationship with Royal Mail first.
- 9, 10 | • ~~The Post Office's~~ relationship with Sub postmasters is key – currently assessing how many
11, 12 | can operate as standalone businesses and the sustainability of the Crown branch network
13, 14, 15 | • The new banking contract and the ability to pay bills at post office branches is good and
generates footfall. However the cost of transferring the cash supply chain needs to reduce
16 | • ~~Going forward~~In the longer term, Post Office Limited ~~should-could~~ refocus to be a small
17 | “buying unit” that conducts contract negotiations on behalf of Sub postmasters, although TP
18, 19 | stressed that any such plans were still at a very early stage.
- 16 | • TP thought the new non execs are a good addition to the board and the new Chief Financial
17 | Director-Officer was also good quality.
- 18, 19 | • BNR raised the recent accounting issue-restatement as the numbers seemed quite big. TP
reassured her that it was a provisioning item and would not affect overall figures. The
revised accounts were due to go out on Friday 29/1.
- TP updated on the HORIZON investigation. He said that the QC was about to report. He had
found no systemic problem. TP thought the issue might have passed its peak interest.
- Finally TP updated the Minister on IT and what is being done to reduce costs.

Track Changes

1	Insert	<i>Callard Richard (ShEx), 28/01/2016 10:48 AM</i>
2	Change	<i>Callard Richard (ShEx), 28/01/2016 10:51 AM</i>
3	Insert	<i>Thompson Laura (ShEx), 28/01/2016 10:27 AM</i>
4	Insert	<i>Thompson Laura (ShEx), 28/01/2016 10:28 AM</i>
5	Change	<i>Thompson Laura (ShEx), 28/01/2016 10:30 AM</i>
6	Insert	<i>Thompson Laura (ShEx), 28/01/2016 10:30 AM</i>
7	Insert	<i>Thompson Laura (ShEx), 28/01/2016 10:31 AM</i>
8	Change	<i>Thompson Laura (ShEx), 28/01/2016 10:31 AM</i>
9	Change	<i>Thompson Laura (ShEx), 28/01/2016 10:27 AM</i>
10	Insert	<i>Thompson Laura (ShEx), 28/01/2016 10:27 AM</i>
11	Change	<i>Thompson Laura (ShEx), 28/01/2016 10:31 AM</i>
12	Change	<i>Thompson Laura (ShEx), 28/01/2016 10:31 AM</i>
13	Insert	<i>Thompson Laura (ShEx), 28/01/2016 10:31 AM</i>
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16	Insert	<i>Thompson Laura (ShEx), 28/01/2016 10:32 AM</i>
17	Change	<i>Thompson Laura (ShEx), 28/01/2016 10:32 AM</i>
18	Insert	<i>Thompson Laura (ShEx), 28/01/2016 10:32 AM</i>
19	Change	<i>Thompson Laura (ShEx), 28/01/2016 10:33 AM</i>