

**INVESTIGATION REPORT INTO CONCERNS RAISED UNDER
POST OFFICE LIMITED'S SPEAK UP POLICY**

**FOR THE ATTENTION OF
THE INVESTIGATION STEERING GROUP
(AMANDA BURTON AND LORNA GRATTON)**

MARIANNE TUTIN

Devereux Chambers

8 April 2024

STRICTLY PRIVATE & CONFIDENTIAL



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A. INTRODUCTION

Overview

1. I am a practising employment barrister at Devereux Chambers.
2. I have been instructed to carry out an external investigation by Pinsent Masons LLP (“**Pinsent Masons**”) on behalf of Post Office Limited (“**POL**”) into allegations of potential wrongdoing, bullying and sexist behaviour by POL and named individuals. The allegations were made by Jane Davies, former Chief People Officer (“**CPO**”), by way of a Speak Up report to Ben Foat, General Counsel, dated 4 September 2023 (the “**Speak Up Complaint**”).
3. The Commissioning Executive for this investigation is Karen McEwan, CPO. This investigation report is to be delivered to an Investigation Steering Group (“**ISG**”), comprised of Amanda Burton, Non-Executive Director and Chair of the Remuneration Committee (“**RemCo**”), and Lorna Gratton, Non-Executive Director and UK Government Investments Ltd (“**UKGI**”) representative.

Terms of Reference

4. Not all of the matters raised by Ms Davies within her Speak Up Complaint have fallen within the remit of my investigation. I understand that: (i) certain matters she raised were already being considered via separate POL processes; and (ii) the matters she complained of in respect of the termination of her employment were not to be considered as part of this investigation.
5. My instructions were made pursuant to the Terms of Reference¹, which identify the following allegations to be investigated (adopting the numbering of the allegations used in the Terms of Reference for the sake of ease):

¹ The Terms of Reference have been updated throughout the course of the investigation, as explained in the ‘Methodology’ section below.



- (1) Allegation 2.1: Nick Read, Chief Executive Officer (“CEO”), was aware that there was a bonus multiplier error which would have resulted in him receiving an overpayment in 2022 and which he did not declare in advance of payment being made;
- (2) Allegation 2.2: The same bonus multiplier error resulted in an overpayment to other members of the Executive team and whether there was a failure to declare this to RemCo by Mr Read or otherwise;
- (3) Allegation 2.3: Angela Williams, former CPO, continued in part-time employment with POL whilst employed full-time with another organisation and, if so: (i) what was the reason for this; (ii) whether this was contrary to POL’s policies and procedures and executive terms of appointment; (iii) whether Mr Read, or anyone else, was aware of and approved this; and (iv) whether, if required, this was disclosed to, or approved by, RemCo;
- (4) Allegation 2.4: Ms Williams was granted good leaver status, with Mr Read’s approval or otherwise, contrary to POL’s Long Term Incentive Plan (“LTIP”) scheme rules and, if required, whether there was a failure to report this, by Mr Read or otherwise, to RemCo;
- (5) Allegation 2.5: Ben Cooke, former Branch & Digital Engineering Director, moved from permanent employment with POL to become a temporary contractor and, if so: (i) the reason for this; (ii) who approved this; and (iii) whether this was contrary to POL’s Recruitment Policy;
- (6) Allegation 2.6: The recruitment of four male General Executive members failed to follow an open recruitment process and, if so: (i) who took the relevant decisions; and (ii) the reasons for this;



- (7) Allegation 2.7: During a meeting on 25 January 2023, Henry Staunton, former Chair, referred to women as “*pains in the arses*” and at the same meeting, said of one candidate for the RemCo Chair position, words to the effect of “*she doesn't look coloured, where does she come from?*” and in view of her age referred to the same candidate as a “*girl*” (when other women were referred to as “*ladies*”)²;
- (8) Allegation 2.8: Mr Read informed Ms Davies not to formally investigate the behaviour of a commercial director that occurred at a function in March at which Mr Read was present and, if so, the reason for this;
- (9) Allegation 2.9: The Board failed to intervene or address the allegations raised by Ms Davies with Mr Staunton via a letter dated 24 May 2023 and, if so, the reasons for this;
- (10) Allegation 2.10: Mr Read bullied Ms Davies in relation to the messages he sent concerning his dissatisfaction with his pay;
- (11) Allegation 2.11: Mr Read treated Ms Davies differently after she failed to succeed in securing him a better remuneration package by ignoring or failing to acknowledge her work and contributions;
- (12) Allegation 2.12: Mr Read patronised and showed a lack of respect for Ms Davies, an example being by assigning male members of the General Executive to work alongside Ms Davies in the performance of her duties;
- (13) Allegation 2.13: Mr Read treated Ms Davies differently, including to that of Alasdair Cameron, Chief Financial Officer (“CFO”), in relation to POL’s commissioning of an external investigation into the complaints made about Ms Davies and, if so, what was the reason for this different treatment;

² This allegation has been expanded to reflect the information provided to me by Ms Davies at interview on 10 November 2023, as explained in the ‘Methodology’ section below.



- (14) Allegation 2.14: Gender played a part in Mr Read's treatment of Ms Davies, as outlined in Allegations 2.10-2.13 above.
6. My role under the Terms of Reference has been to investigate and establish the facts in relation to the Allegations set out above, including identifying whether there have been any breaches of POL's policies and procedures, and making any recommendations. This has been an investigation into specific facts surrounding the Allegations summarised in the Terms of Reference, rather than an inquiry into general matters, such as POL's workplace or leadership culture. It is a matter for the ISG to determine what, if any, further action based upon my findings and recommendations needs to be taken.
 7. The contents of this report are strictly private and confidential. Neither the report itself, nor its contents, should be shared, disseminated or published in any form without the prior written permission of POL.

**B. SUMMARY**

8. Broadly, the Allegations set out in the Terms of Reference can be divided into concerns that Ms Davies has raised about: (i) processes not being followed, and the extent to which this was known by Mr Read and/or others and reported where necessary; and (ii) the conduct of Mr Read primarily and Mr Staunton to a lesser extent.
9. As to (i), I have found that there were occasions where POL's processes were deficient and/or not followed. Mr Read was not aware of such failings at the time (apart from in respect of one matter concerning Allegation 2.3). The failure to follow the relevant processes by others did, however, place Mr Read in a difficult position, in light of his personal responsibilities as Accounting Officer. Steps have already been taken to improve these processes and I invite the ISG to consider my recommendations to ensure they are as robust and clear as possible, moving forward.
10. As to (ii), I have not upheld the Allegations relating to Mr Read's conduct, including towards Ms Davies, although some self-reflection upon his approach towards certain issues such as his pay may be welcome. I have upheld Allegation 2.7 concerning Mr Staunton's conduct, namely that he made discriminatory remarks during a recruitment process. The behaviour demonstrated by Mr Staunton during this investigation, and to an extent by Ms Davies, has given me cause for concern about the reliability and integrity of their evidence, particularly the revised accounts they provided to me following Mr Staunton's removal as Chair.
11. For a proper understanding of its content, the report must be read as a whole. In summary, however, I have made the following findings of fact and, where appropriate, recommendations:

Allegation 2.1

12. There was a bonus multiplier error, namely that prior Shareholder consent was not obtained in respect of the approach of applying a multiplier (based on personal



performance) to the whole annual bonus (resulting in an uplift) that was paid to Mr Read at the end of August 2022. Mr Read was not aware of the error before payment was made to him and therefore it was not a matter that he needed to declare to RemCo. Mr Read and RemCo were subsequently made aware of the error by UKGI in September 2022; retrospective approval was sought (and an apology offered) without delay. The error did not result in an overpayment as such, because retrospective approval for the 2021/22 annual bonus was granted by the Shareholder in January 2023.

13. Steps have been taken to make it explicit in RemCo's Terms of Reference that Shareholder approval is required in respect of the remuneration packages of Executive Directors ("EDs"). However, I recommend that a clear written procedure is agreed with UKGI and/or DBT, by reference to the notice requirements set out in the Articles of Association, which explains in what circumstances consent must be obtained, by whom and when. I also consider that RemCo's Terms of Reference could be made clearer to emphasise that prior Shareholder consent is required before payment is made.

Allegation 2.2

14. The same bonus multiplier error did not result in an overpayment to other members of the Executive team who received an uplifted bonus because there was no need to obtain prior Shareholder consent in respect of their bonuses, as they were not EDs. Even if the application of the multiplier to the whole bonus was not included in the original design and structure of the 2021/22 Short Term Incentive Plan ("STIP"), it was open to RemCo to approve such an approach, in accordance with its Terms of Reference and the STIP scheme rules.
15. No conflict of interest arose in Angela Williams putting forward proposals that financially benefitted her (and others on the Executive team), given RemCo had independent oversight of the remuneration packages of members of the Executive team and it scrutinised the proposals properly. Therefore, there was no error, or conflict of interest, for Mr Read or anyone else to declare to RemCo.

**Allegation 2.3**

16. Ms Williams continued in part-time employment as interim CPO with POL from April 2022 onwards, whilst employed full-time as CPO elsewhere. The reason she did so was because: (i) Lisa Cherry, the former CPO for whom Ms Williams was providing cover, indicated that she did not intend to return to POL at the end of maternity leave, after Ms Williams had already secured a role elsewhere; (ii) Mr Read, with the approval of Lisa Harrington, former Chair of RemCo, did not wish to recruit another interim CPO given the high turnover in People leadership in recent years; and (iii) Ms Williams agreed to Mr Read's request to remain at POL for a short period of time whilst the recruitment process for a permanent CPO was underway.
17. However, this arrangement was a breach of the express terms of Ms Williams' contract of employment, namely the clauses: (i) requiring that Ms Williams would "*devote the whole of [her] time, attention and abilities to Post Office's business*"; and (ii) prohibiting Ms Williams from being directly or indirectly engaged in any capacity in any other business, trade, profession or occupation, without the prior written approval of POL. That said, the intention of Ms Williams and Mr Read is likely to have been that clause (i) should have been modified to reflect the circumstances and approval was implicitly granted by Mr Read for the arrangement.
18. Mr Read notified Ms Harrington about the proposal for Ms Williams to work part-time for POL whilst a recruitment process for a permanent replacement was underway, which she approved. RemCo was also aware that Ms Williams was carrying out another role elsewhere. However, Mr Read did not inform RemCo of the changes made to Ms Williams' remuneration package, which were material and significant, nor did she remind him of the need to do so. The proposed changes should have been disclosed and approved by RemCo in advance, but they were not. Nevertheless, the changes made to her pay did not need to be disclosed in order to obtain Treasury sign off, as the Senior Pay Guidance did not apply to Ms Williams' appointment.



19. Amendments have already been made to RemCo's Terms of Reference to make it explicit that its responsibilities include approving any changes to the remuneration packages and terms and conditions of employment for proposed GE appointments, including any interim appointments, which is helpful. It would be beneficial for Ms Burton, Chair of RemCo, to discuss these recent changes with Mr Read so that he fully understands the circumstances in which RemCo has oversight of the remuneration packages and terms and conditions of employment of his direct reports. Should any changes need to be made to the terms and conditions of employment of the Executive team, the People team may want to refer the matter to the Legal team for advice.

Allegation 2.4

20. Ms Williams was granted good leaver status in respect of the 2021/24 LTIP by Mr Read (although she was not eligible to participate in the 2022/25 LTIP). That was in accordance with the existing LTIP scheme rules and therefore there was no requirement to disclose this to RemCo, whether by Mr Read or others. Changes were made to the LTIP scheme rules with effect from 1 April 2023, which now makes clear that individuals that cease to be an employee by reason of the expiry of a fixed-term contract will no longer be regarded as a good leaver, but those changes did not apply retrospectively to earlier schemes.

Allegation 2.5

21. Mr Cooke ceased his permanent employment with POL as Branch and Digital Engineering Director with effect from 31 January 2023 and returned two days later as a day rate contractor in the role of Special Adviser to Mr Mladenov. The reason he did so was because his permanent employment with POL ceased as he considered he had been made redundant, but Mr Mladenov did not want to lose his considerable expertise so engaged him as a contractor on a short-term basis (namely three months).
22. On the face of it, that appears to be a breach of the applicable version of the Recruitment & On-boarding and Contractor Recruitment Policies, as he returned as a contractor after



leaving by way of a settlement agreement and/or where his role was redundant, which was prohibited under the policies. There was, at the relevant time, an exception to this prohibition if it was approved on an exceptional basis by a People Director. Whilst the arrangement was implicitly approved by Ms Williams and her team, no consideration appears to have been given to the policies and therefore no formal or explicit authorisation of the arrangement was provided by a People Director or anyone else within the People team, in breach of the policies.

23. The Recruitment & On-boarding and Contractor Recruitment/Engagement policies have undergone significant amendments since the above arrangement with Mr Cooke. However, it is possible that inconsistent decisions may still be reached in respect of the use of contractors, as the current policies differ in material respects. The content of the policies should be aligned to avoid any confusion. Training should be rolled out in respect of these policies in departments (such as IT), where the use of contractors has been, or remains, prevalent.

Allegation 2.6

24. I cannot make any findings as to whether an open recruitment process was carried out in respect of Ben Foat (as General Counsel), Martin Roberts (as Chief Retail Officer or “CRO”) and Mr Taylor (as Corporate Affairs, Communications and Brand Director or “**Communications Director**”) due to the lack of available information and documentation. I recommend that POL retains on a centralised system for a reasonable period of time the essential records of recruitment processes that have been carried out, which is vital in case queries are raised, or accusations are made, in respect of such processes.
25. However, an open recruitment process does not appear to have been followed in respect of Zdravko Mladenov (as Chief Digital and Information Officer or “**CDIO**”), in the sense that the role was not advertised and he was not formally interviewed for the role. There may have been good reasons for this and/or exceptional approval by a People Director or others in the People team could have been granted in accordance with the applicable



version of the Recruitment and On-boarding Policy, but I cannot make any findings to this effect, given the lack of information and documentation.

26. The Recruitment & On-boarding Policy has already been clarified to explain the circumstances in which a vacancy may arise (including the creation of a new role) and the process that must be adopted in respect of such vacancies. Steps should be taken to ensure that Mr Read and the Executive team are aware of the amendments to this policy and the circumstances in which it may be engaged.

Allegation 2.7

27. During the meeting with Green Park on 25 January 2023 to discuss candidates for the independent NED role, Mr Staunton: (i) said words to the effect of “*she doesn’t look coloured, where does she come from?*” in respect of a candidate, Ms A; (ii) called younger female candidates “*girls*” and older female candidates “*ladies*”; and (iii) questioned whether a particular candidate for the role would be a “*pain in the arse*”, and when asked about this remark, stated that a CEO he had worked with at a different organisation did not want to employ women because they were “*pains in the arse*”.
28. Mr Staunton’s remarks were discriminatory on grounds of race and sex, and therefore not in accordance with the Dignity at Work Policy. The remarks go well beyond his characterisation of them as potentially “*politically incorrect*” statements. In particular:
 - (1) As to the remarks relating to the origin of Ms A, the use of the word “*coloured*” is offensive and outdated. Questions regarding an individual’s origins, particularly during a recruitment process, are inappropriate. I consider it is unlikely Mr Staunton would have questioned the origin of a candidate with a British sounding name. Whilst his desire to increase diversity at Board level was no doubt genuine and to be welcomed, his approach fell far short of acceptable standards;
 - (2) As to describing younger-looking women as “*girls*” and older-looking women as “*ladies*”, I consider it is unlikely Mr Staunton would have referred to male



candidates as “boys” or “gentlemen”. I recognise that it is not uncommon for women to be referred to as “girls” and/or “ladies” in the workplace, but it can be viewed by many as infantilising or patronising. I find, however, that Mr Staunton intended no offence by using such terms;

- (3) As to the remarks made questioning whether a female candidate would be a “*pain in the arse*”, I do not consider Mr Staunton would have posed such a question in respect of a male candidate. I accept that Mr Staunton may have made this remark and shared the story in respect of the CEO at a different organisation in an attempt at humour. Nevertheless, discriminatory jokes or banter can still amount to unacceptable behaviour.
29. Consideration should be given as to whether equity, diversity and inclusion (“**EDI**”) training should be offered to Non-Executive Directors (“**NEDs**”), including the future interim or permanent Chair. Alternatively, such training could be a mandatory requirement for any NEDs involved in external or internal recruitment processes, where they are acting as a representative of POL.
30. I was also concerned by remarks made by Mr Staunton in respect of his outdated view of the Speak Up process and investigations (the latter of which he said, notably, were a “*cancer*” in the organisation), and the impact such views can have on workplace culture. It was very troubling that those remarks were made by the (then) Chair of an organisation that is grappling with the most serious of institutional failings. In looking for a new Chair, it should be a key consideration for POL and DBT to assess whether prospective candidates have good experience of helping to foster a workplace culture in which any concerns relating to e.g. EDI, discrimination or whistleblowing can be raised openly without fear of intimidation or retribution.

Allegation 2.8

31. A dinner took place in Mayfair on 1 March 2023, which was attended by Mr Read, Mr Woodley and a commercial director from POL, along with POL’s financial advisers, to



discuss the restructuring of a deal with a bank. The dinner was lengthy and attendees were drinking wine, which was not unusual for such occasions. It appeared the commercial director was more affected by alcohol than others. The discussions were challenging and strong views were expressed by all. The director became belligerent and more animated than others in the debate. He apologised, unprompted, for his behaviour the following morning and Mr Woodley spoke to him about his behaviour informally.

32. At some point, Mr Read updated Ms Davies on the dinner and Mr Woodley's conversation with the director. She suggested this was a serious conduct issue, which she felt she should address. Mr Read told her he did not consider such a response was necessary in the circumstances. In my judgement, the approach of Mr Woodley and Mr Read was reasonable: the behaviour of the director was not sufficiently serious to justify the initiation of a disciplinary investigation or a formal response.

Allegation 2.9

33. Ms Davies sent Mr Staunton a letter on 24 May 2023, asking to have an "off record" discussion about her concerns regarding the leadership culture at POL. Mr Staunton did not respond substantively to that letter; the rest of the Board did not receive a copy of the letter, so were not aware of it.
34. However, I do not consider that Mr Staunton failed to intervene or address the allegations raised by Ms Davies, because there was no need for him to do so. An informal response was acceptable in the circumstances. Mr Staunton tried to speak to Ms Davies after she sent the letter to encourage her to return to work, but that did not occur because she was GRO and never returned to work. If she wanted to make further enquiries with Mr Staunton or the Board about her letter, she was capable of doing so, but did not before her employment ended.

**Allegation 2.10**

35. Mr Read did not bully Ms Davies in respect of the message he sent her concerning his dissatisfaction with his pay in January 2023.
36. Mr Read had been dissatisfied demonstrably with his remuneration package for some time, with numerous attempts being made by former Chairs of POL to seek an improved package from the government. Ms Davies, Mr Read and Mr Staunton discussed the topic intensively during the first two months of Ms Davies' employment in particular. Mr Read suggested that he would resign or take action unless matters improved, with increasing frequency and feeling, during January 2023.
37. From Ms Davies' perspective, I appreciate that she must have felt under pressure to improve his pay, given the intense focus this issue received and Mr Read's increasingly strong suggestions that he would leave POL or take action. That said, some of that pressure may well have been self-imposed by Ms Davies in her desire to succeed where her predecessor, Ms Williams, had seemingly failed.
38. Mr Read's messages were, at times, demanding, impatient and irritable, which he may wish to reflect upon. However, they were, on balance, not of an offensive, aggressive or humiliating nature. They were not of that severity. Furthermore, Mr Read explained to Ms Davies that his dissatisfaction with pay pre-dated her time at POL and he did not blame her for the situation. Mr Read spoke to others, including Mr Staunton, about his dissatisfaction with his pay in similar terms. There was no 'finger-pointing' at Ms Davies.
39. Overall, Ms Davies was supportive of Mr Read in attempting to secure an improved remuneration package. There is no sense in the messages sent at the time that she considered it to be a "*ridiculous quest*", as she now puts it. As CPO, Ms Davies was capable of pushing back against Mr Read and/or raising concerns with Mr Staunton about any behaviour by him if she considered it crossed the line, but that did not occur. She did not make any record of her concerns about Mr Read's behaviour until she made a note



to herself on 4 April 2023 (although she did not describe it as bullying), nor did it feature in her letter to Mr Staunton dated 24 May 2023.

40. Nevertheless, POL will no doubt wish to ensure that the future Chair is aware of the history of requests made to the government in respect of Mr Read's pay to ensure that his expectations are managed appropriately moving forward.

Allegation 2.11

41. Mr Read did not ignore or fail to acknowledge Ms Davies' contributions because she did not secure him an improved remuneration package.
42. Mr Read acknowledged or discussed the majority of the emails which Ms Davies says he ignored. If he did not respond to every email she sent him, this is likely to be because of the demands placed on him as CEO. Further, Mr Read did not undermine or overlook her in respect of the events or occasions that she complained of (albeit I could not locate documentation in respect of all relevant matters).
43. Ultimately, there is no evidence before me that Mr Read changed his behaviour towards Ms Davies because he perceived her to have failed to secure him a better remuneration package. As mentioned in respect of Allegation 2.10, Mr Read did not point the finger at Ms Davies; the failed attempts to increase his remuneration package long since pre-dated Ms Davies' time at POL.
44. Mr Read did, however, accept that he became more circumspect towards Ms Davies after the complaints were made to him regarding her alleged bullying of her team. Insofar as he became more distant towards her, this was because he started to have concerns about whether it was appropriate for Ms Davies to lead the institutional change required at POL when he was notified of the nature of the complaints made against her, and not because he held her personally accountable in respect of his remuneration package.

**Allegation 2.12**

45. Ms Davies alleged that Mr Read was patronising and disrespectful to her by assigning male members of the Executive team to work alongside her in her duties. In particular, she complained that Mr Read: (i) assigned a colleague to work alongside her in preparing for the POL People Conference in April 2023; and (ii) sent an email from a colleague at UKGI about mentoring opportunities for high potential candidates to her and Mr Foat, when it should have been a People matter alone.
46. As to (i), Mr Read accepted that he asked a colleague to assist Ms Davies in her preparation for the POL People Conference. I find this was reasonable because she had made insufficient progress in preparing for the conference whilst [GRO] (a view that was shared by others). As to (ii), no such email could be located, although I did locate an email Mr Read forwarded from BEIS Partnerships to Ms Davies and Mr Foat about a Lead Reviewer opportunity. The topic was of interest to Mr Foat, so it was not unreasonable for Mr Read to have forwarded the email to him. In any event, the matter appears to have been progressed by Ms Davies alone.
47. Mr Read was neither disrespectful nor patronising towards Ms Davies in either of these examples.

Allegation 2.13

48. Ms Davies was treated differently from Mr Cameron in that the complaints about her alleged bullying were investigated externally, whereas the complaints about or involving Mr Cameron (and indeed another GE member) were investigated internally. She was not, however, treated differently from a further GE member, who was subject to an external investigation in respect of comments he was covertly recorded to have made.
49. Mr Read was, however, not involved in the decision to commission the investigations into Ms Davies and Mr Cameron to the degree that Ms Davies suggests. Mr Read was not involved in the internal investigations into grievances that were raised in respect of



Mr Cameron's alleged behaviour; the People team is likely to have decided who would be appropriate to investigate those complaints. Whilst Mr Read may have suggested the appointment of an external investigator in respect of the complaints into Ms Davies' alleged bullying, ultimately the decision to appoint such an investigator was endorsed by Mr Tidswell, who had oversight of the investigation.

50. In any event, the circumstances concerning the complaints about the alleged behaviour of Mr Cameron and Ms Davies were materially different. Two or three grievances were made about Mr Cameron over a period spanning several years. That is quite different from the complaints made about Ms Davies, which were raised by six individuals, including to Mr Read, within quick succession, under POL's Speak Up process. Further, there are different considerations in investigating a CPO who is responsible for the People culture; a conflict of interest is more likely to arise if an internal investigation is carried out. Therefore, it was appropriate for an external investigation to be carried out in respect of the complaints into Ms Davies' alleged bullying.
51. However, it would be best practice for the Speak Up team to ensure, going forward, that there is a clear audit trail recording why, by whom and when any decision has been taken to deviate from the usual process.

Allegation 2.14

52. In respect of Allegations 2.10 to 2.13, the only ways in which I have found that Mr Read treated Ms Davies differently to others were that: (i) he became more circumspect towards her after the complaints were made to him regarding her alleged bullying (Allegation 2.11); and (ii) she was subject to an external investigation in respect of those allegations, whereas Mr Cameron was not, albeit Mr Read did not decide upon the appointment of the investigators (Allegation 2.13). The reasons for such treatment, which are set out above, were unrelated to gender in my judgement.
53. In any event, the evidence before me that gender played any role in Mr Read's behaviour towards Ms Davies more widely is weak and unconvincing. Ms Davies' suggestion, later



parroted by Mr Staunton following his removal as Chair, was that Mr Read's military background resulted in a need to surround himself by "white 'yes' men". This has not been borne out by the evidence.

54. Whilst I concur that improvements could be made in respect of the diversity of the Executive team, there is some representation of women, and the Executive team and Board are alive to the issue. Further, Ms Davies did not appear to suggest that Mr Read's behaviour towards her was discriminatory in notes and letters that she made at the time, which raises the prospect of whether she truly thought that to be the case.
55. In my view of my findings of fact and recommendations made above, and in light of the Terms of Reference, any next steps are a matter for the ISG.



C. METHODOLOGY

Investigation process

56. This investigation has been conducted on a consensual basis. I had no powers to compel the attendance of a witness or production of documents. Except for one or two individuals who no longer work for or sit on the Board of POL, I was able to interview every person I wished. Documents and information were produced on request by the Speak Up team within POL and, where relevant, by individuals directly.
57. However, I have not been provided with all the documents or information that I have requested, as certain items could not be located by POL, which I explain in the 'Findings of Fact' section below. Moreover, I asked the Department of Business and Trade, via Ms Gratton at UKGI, to provide certain documents, namely readouts or minutes of certain meetings, but I understand this request was refused. As I explain in the 'Findings of Fact' section below, these requests were relevant to Allegations 2.1 and 2.10 in particular.
58. I have also received documents or information that POL says: (i) is subject to legal professional or without prejudice privilege; and (ii) as to which there has been no general waiver of privilege. I understand that POL wishes to maintain privilege regarding these documents or information. Accordingly, I have not referenced any such documents or information in the main body of this report. Instead, I have, where and to the extent necessary, set out additional findings of fact, regarding Allegation 2.5 in particular, that are based upon such privileged documents or information in a separate Annex.
59. The investigation was not a form of litigation and not governed by any rules of procedure or evidence. I have, however, sought to ensure that essential principles of fairness and due process have been observed.
60. I was instructed by Pinsent Masons on behalf of POL to commence the investigation on 6 October 2023. At the outset, I received Ms Davies' Speak Up Complaint and POL's Speak Up Policy, along with the Terms of Reference. A list of suggested participants was



set out in the Terms of Reference, which I took into account, although I considered for myself who should be interviewed.

61. Initially, I made requests for documents or information based upon a preliminary analysis of the Allegations set out in the Terms of Reference. I invited Ms Davies to an interview, although it took some time to arrange; Ms Davies did not wish to speak to me until she had received the results of a data subject access request (“**DSAR**”) she had made to POL. In order to avoid delay, I arranged to speak to Ms Davies as soon as possible, but gave her the opportunity to provide me with any written representations once she had received the results of the DSAR.
62. I was also conscious that it was likely to take some time for me to be in a position to speak to Mr Read and Mr Staunton, as I wished to undertake initial interviews and make preliminary enquiries regarding the documents before doing so. Accordingly, I sent letters of introduction to Mr Read and Mr Staunton on 27 October 2023 so that they were aware of the Allegations about which I wished to speak to them.
63. I spoke to Ms Davies in person on 10 November 2023. Having reflected on our discussion, I advised Pinsent Masons that Allegation 2.7 (regarding Mr Staunton’s comments at a meeting with Green Park on 25 January 2023) should be expanded to reflect what I had been told by Ms Davies at interview, which I discuss further in the ‘Findings of Fact’ section below. This was later agreed by POL and a revised Terms of Reference was produced. I understand that the expanded Allegation was shared with Mr Staunton by Ben Tidswell, Senior Independent Director (“**SID**”).
64. I also reached the decision that I would need to speak to Mr Foat in respect of certain matters mentioned by Ms Davies. Mr Foat was initially the Commissioning Executive in respect of this investigation. In order to avoid a conflict of interest, Mr Foat stepped down as Commissioning Executive once I identified the need to speak to him. Ms McEwan, Ms Davies’ successor as CPO, was appointed as his replacement.



65. Following the interview, I asked Ms Davies to provide me with the documents that she had referenced in our interview, although she did not respond to me for some time. Eventually, on 12 January 2024, Ms Davies provided me with written representations after having reviewed the DSAR results, which included screenshots of emails and contemporaneous notes. I requested further documents and information from her, which she provided on 23 January 2024.
66. I continued to liaise with Ms Davies regarding the further representations and information she provided. She had provided screenshots of excerpts from her personal notebooks. I explained that I wished to either inspect the notebooks or review scanned copies of all entries within a certain period of time so I could understand their full and proper context; otherwise, the weight I could attach to the notebooks was reduced. Ms Davies provided me with more comprehensive copies on 12 February 2024.
67. Once I spoke to Ms Davies, I sought to arrange interviews with participants at POL. I could not make significant progress with witness interviews in November and December 2023, due to pre-existing commitments, which meant that most interviews took place from January 2024 onwards. In addition, some witnesses, such as Mr Read, had limited availability due to professional commitments, which meant it took time to arrange interviews. It was also necessary to speak to some witnesses on more than one occasion because e.g. developments had occurred, or additional documents had come to light.
68. In summary, I interviewed the following individuals:
- (1) Ben Tidswell on 8 December 2023 and 31 January 2024;
 - (2) Ian Rudkin, Reward Director, on 11 December 2023;
 - (3) Ben Foat on 16 January and 7 February 2024;
 - (4) Dan Richards, Partner at Green Park, on 19 January 2024;



- (5) Henry Staunton on 22 January 2024;
 - (6) Kate St John Perry, Head of Research at Green Park, on 31 January 2024;
 - (7) Nick Read on 8 February and 12 March 2024;
 - (8) Nicola Marriott, People Director, on 20 February 2024;
 - (9) Owen Woodley, Deputy CEO, on 21 February 2024;
 - (10) Tom Cooper, former NED and UKGI representative, on 11 March 2024;
 - (11) Angela Williams, former CPO, on 20 March 2024.
69. Each interview was conducted by video, except for the interviews with Mr Foat (the first interview only), Mr Staunton and Mr Read, which were in person at POL's office.
70. I was accompanied by a colleague from Devereux Chambers, who acted as an independent note-taker, at all interviews. I reviewed the notes and corrected any errors, although they were prepared to a high standard of detail and accuracy. I agreed the notes of the interviews with all participants, except for Mr Staunton, as discussed in the 'Findings of Fact' section below, and Ms Williams, from whom I received no response. As agreed with the ISG, I decided not to enclose notes of the interviews with this report to ensure that witnesses felt able to speak openly to me.
71. Some participants emailed me after our interviews to provide additional information or documents in respect of the matters we discussed. Where necessary, I followed up with further questions or requests for additional documents or information. I also emailed additional individuals at POL to clarify discrete points where it was unnecessary to hold a formal interview.
72. Whilst carrying out interviews, I continued to request documents or information from the Speak Up team. I also reviewed the scope of the searches that were undertaken to ensure



that I was content with the approach adopted. As I had asked for a wide range of e.g. minutes of meetings, file notes, letters, email and Teams accounts to be searched over an approximate two-year period, it took some time to process the searches. Accordingly, I produced a schedule of documents so that I had a record of which documents I had requested and received, from whom and when, and in respect of which Allegation(s). It also meant that a large body of potentially relevant documentary evidence was provided, to me, which took time to review.

73. Subsequently, I commenced the work necessary to make findings of fact and produced this report only after the evidence set out above had been obtained. I have taken into account all the information and evidence gathered during the investigation when writing this report. That said, some types of contributions by witnesses (i.e. an account of direct experience) were given greater potential weight than others (i.e. an account of what one person told another).
74. I have not set out each and every witness account of a particular matter in arriving at my findings of fact. However, I have sought to set out the accounts that I consider to be the most relevant and reliable, and therefore on which I place the most weight, or explain the accounts which I do not consider to be reliable and why. My findings and conclusions are based solely on the information and evidence gathered during this investigation.
75. In making findings of fact, I have applied the civil standard of proof by asking myself the question: is it more likely than not that the act or omission occurred?

Confidentiality and public coverage

76. I have sought to conduct this investigation on a confidential basis, in accordance with the Terms of Reference. This was a central principle of the investigation, as I wanted to ensure no-one was deterred from participating in the process and others are not deterred from making any Speak Up reports in the future. Confidentiality was therefore a requirement of all participants in the investigation.



77. However, matters moved into the public eye when Mr Staunton was removed as Chair by the Secretary of State for Business and Trade, the Rt Hon Kemi Badenoch MP, on around 27 January 2024. I address the circumstances of Mr Staunton's removal, insofar as they are relevant, in the 'Findings of Fact' section below.
78. Mr Staunton publicly disputed the reasons for which he was removed and spoke to the Sunday Times and other media outlets about his time as Chair and the circumstances of his removal. This was of strong public interest, following the increased scrutiny of POL in the wake of the broadcast of 'Mr Bates vs The Post Office' in early January 2024.
79. Mr Staunton also publicly commented upon his involvement in the investigation, after the Secretary of State said Mr Staunton was subject to an investigation concerning allegations of bullying. I reminded Mr Staunton and his solicitor of the need for confidentiality in respect of the investigation. Notwithstanding that warning, Mr Staunton subsequently disclosed that Mr Read was the principal subject of the investigation at a hearing before the Business and Trade Committee ("BTC") on 27 February 2024. He also appeared at the evidence session with a redacted copy of the Terms of Reference that I understand had been provided to him by POL upon his request.
80. In a letter to the Chair of the BTC dated 4 March 2024, Mr Staunton: (i) provided further details regarding Allegation 2.7 that I refer to in the 'Findings of Fact' section below; (ii) provided a purported summary of Ms Davies' evidence to me during our interview and her apparent intentions in raising the Speak Up Complaint; and (iii) referred to this investigation as a "sham" and "a stitch up".
81. I raised the latter comments with Mr Staunton directly, who told me that he considered the scope of the investigation was "*cynically widened*" by POL to include him so as to "*provide cover*" for Mr Read. For the avoidance of doubt, when I advised POL in November 2023 that Allegation 2.7 should be expanded, I did not do so to "*provide cover*" for Mr Read; I did so because Ms Davies provided greater detail about the Allegation at interview than in her Speak Up Complaint which, in my judgement, warranted further investigation.



82. It also came to my attention that Ms Davies, or someone on her behalf, spoke to the Sunday Times or other media outlets about the investigation. In particular, Ms Davies contended that POL misrepresented the content of her Speak Up Complaint; she said that her complaint was not directed at anyone other than Mr Read. Shortly afterwards, I was contacted by the Sunday Times, seeking my comment on concerns that Ms Davies had raised with me previously regarding my purported lack of independence (which I disputed and explained to her were baseless on multiple occasions). This raised the prospect that Ms Davies, or someone on her behalf, was continuing to speak to the Sunday Times, despite the requirement of confidentiality.
83. Subsequently, Mr Staunton and Ms Davies both provided me with revised accounts concerning Allegation 2.7. Their accounts were remarkably similar, even though the accounts they provided during their respective interviews had differed significantly. In Mr Staunton's revised notes of the interview, he said that he had spoken to Ms Davies about the content of her Speak Up Complaint. I was therefore concerned that Mr Staunton and Ms Davies had been in communication with each other regarding the content of this investigation and sought to align their accounts for their own personal reasons.
84. Ultimately, the breaches of confidentiality by Mr Staunton and Ms Davies, and the revised accounts they have provided to me, are a matter I have taken into account in assessing the reliability and integrity of their evidence.

Production of this report

85. I have received considerable assistance throughout the investigation from Pinsent Masons, as well as the Speak Up and HR teams at POL, for which I am most grateful. The report is, however, my own work; any errors or omissions are mine alone. I have not at any stage been put under any pressure as to what to investigate or not to investigate, or as to what findings of fact or recommendations should or should not be made.



D. RELEVANT POLICIES

86. I have reviewed a suite of documents that included several of POL's policies. As the Allegations largely concern events in 2022 and 2023, I have considered the version in effect at the time of the relevant Allegation and any material changes in updated versions. I set out below the particularly relevant sections of those policies.

Dignity at Work Policy

87. I have considered version 7 which was in force from 28 October 2022 until 10 July 2023.

88. At §1, the policy states that POL is *“fully committed to sustaining a safe, positive and mutually supportive working environment free from discrimination, bullying, harassment, and victimisation, where employees can work collaboratively and productively together, and where all employees are equally valued and respected.”*

89. At §3, bullying is defined as *“offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power to undermine, humiliate, denigrate or injure the recipient.”* Examples include: *“open aggression, threat, abuse and obscenities, shouting and uncontrolled anger triggered by trivial [situations]”; “humiliating, ridiculing or belittling in front of others, persistent criticism or sarcasm”; “freezing out, ignoring, excluding to isolate [the] victim”; and “excessive supervision and monitoring and being excessively critical about minor things with malicious intent”.*

90. In the same section, an explanation of what constitutes discrimination is set out, which is based upon the statutory definition. Examples of unacceptable behaviour are provided which includes *“discriminatory jokes or banter”, “unfair treatment”* and *“disadvantaging someone because of a protected characteristic”.*

91. At §6, the policy states that *“bullying, harassment, victimisation and discrimination are acts of misconduct and where appropriate will be dealt with under [POL's] Conduct Code”.*



92. At §7, the policy states that employees must: *“treat everyone with dignity and respect at all times”*; *“set a good example through own behaviours and challenge unacceptable behaviours at the earliest opportunity”*; and *“respect employees whose...characteristics are different from their own”*.

Conduct Code

93. I have considered version 7 which was in force from 2 November 2022 until 25 October 2023.
94. At §5, the policy states employees are entitled to be treated *“with respect and courtesy”* and *“fairly and reasonably”* at all times, and *“in an impartial, non-discriminatory way”*.
95. At §7, the required standards from all employees include maintaining a high standard of *“personal conduct including efficiency, reliability, integrity, sobriety, punctuality and attendance”*, as well as *“conduct in relation to all other colleagues and [treating] them with respect and courtesy”*.
96. At §8, the policy states that the *“vast majority of conduct issues will be managed informally not requiring formal disciplinary action. [POL] believes that it is in the best interest of all involved if informal coaching or guidance as to the required standard can be given at the time... Therefore, the informal procedure would be followed unless the informal action doesn’t result in the required standard of conduct and the offence is repeated or the misconduct is so serious that the immediate use of a formal approach is called for.”* Examples of misconduct to be dealt with informally include e.g. a failure to observe standard procedures and instructions, and a lack of respect for customers.
97. If a formal approach is required, the policy sets out the formal approach to be adopted. At §11, examples of gross misconduct are provided, which includes discrimination, bullying, harassment or victimisation.



Recruitment & On-boarding Policy

98. I have considered version 15, which was in force from 22 October 2021 until 12 April 2023, and version 18, which has been in force since 7 September 2023.
99. The aim of the policy is to provide a “*clear and simple framework on how recruitment and on-boarding will be conducted within [POL] to maintain best practice and promote fairness, equality and compliance.*” Key objectives of the policy are to: “*demonstrate that recruitment has been conducted fairly through a consistent and uniform approach for all*”; “*achieve equality of opportunity for all applicants*”; and “*attract the widest number and select the best candidate for the job*”.
100. Compliance with the policy is stated to be mandatory and it is applicable to all employees and contingent workers.
101. Version 15: At §6.4, the process of sourcing and attracting candidates is set out. The policy states that all vacancies must be advertised internally for a minimum of one week (unless exceptionally approved by the People Director). This is to “*ensure all employees across [POL] have the opportunity to see and apply for roles*”.
102. At §6.5, the process of assessing and selecting candidates is set out. The policy states that all applications and candidates should be “*consistently and objectively assessed against the selection criteria*” detailed in the job profile.
103. At §7, the policy addresses the re-employment or re-engagement of former POL employees. It states that POL will not re-employ individuals, or re-engage as a contractor or consultant, anyone who has left the organisation on grounds due to “*misconduct, redundancy, settlement agreement, or retirement under ill health.*” However, “*in exceptional circumstances, it will be at the discretion of the People Director to authorise re-employment providing the individual is not drawing a [POL] enhanced pension and the relevant health checks to verify fitness to undertake the role have been carried out.*”



104. Version 18: the current version of the policy has changed materially. At §5.1, the policy now explains the process that must be adopted when a vacancy arises, namely that management must consult with their People Partner to review the need for the role against strategic business needs. The policy explains that vacancies can arise by the creation of a new role to provide a new service, extend a service or to support current employees. Any new roles must be evaluated via a Hay panel. If a role has changed significantly, a job evaluation should be carried out to ensure the role is graded appropriately.
105. As for sourcing and attracting candidates, the policy states at §5.5 that vacancies “*will usually*” be advertised internally for a minimum of one week; it is no longer stated as an obligation. However, the policy states that vacancies within the Senior Leadership Group (“**SLG**”) or General Executive (“**GE**”) should always be advertised externally and internally simultaneously. Nevertheless, POL retains discretion to utilise external headhunters for SLG and GE vacancies, which may not be advertised internally.
106. At §8, the policy states that it will not re-engage or re-employ individuals who: were dismissed for misconduct or on capability grounds; left POL via voluntary redundancy within two years of termination; left POL via a settlement agreement; left POL via ill-health retirement with a lump sum within 12 months of termination; or worked in a role for POL where they may be considered to have committed wrongdoings by a public inquiry. Unlike version 15, there is no exception to this requirement.

Contractor Recruitment/Engagement Policy

107. In addition to the Recruitment & On-boarding Policy, a separate policy is in effect regarding the recruitment/engagement of contractors.
108. I have reviewed the Contractor Recruitment Policy, which was in force from 1 November 2021. At some point, this policy was replaced by the Contractor Engagement Policy. I have reviewed version 5 of the Contractor Engagement Policy, which has been in force since 23 October 2023. Earlier versions of the Contractor Engagement Policy appear to have existed, but I was informed that they were not published on PeopleHub until June



2023. In the circumstances, I have treated the Contractor Engagement Policy as having replaced the Contractor Recruitment Policy from this date.

109. Contractor Recruitment Policy: the policy largely mirrors version 15 of the Recruitment & On-boarding Policy. At §8, the policy confirms that it will not engage former employees as contractors who leave due to misconduct, redundancy, a settlement agreement or retirement under ill-health. In exceptional circumstances, a People Director can authorise re-engagement provided the individual is not drawing an enhanced pension and is verified as fit to undertake the role.
110. Contractor Engagement Policy: the above provisions have changed materially in this policy. However, the policy does not completely reflect the current version of the Recruitment & On-boarding Policy; in some respects it differs, as explained below.
111. At §7.5, the policy states that a manager does not have the authority to offer a permanent or fixed-term employee a day rate contractor role as *“this would be seen as a breach of the ‘Managing Public Money’ (MPM) and ‘Value for Money’ (VFM) principle, which [POL] agreed and signed in 2020.”* It goes on to state that *“if there are specific circumstances where such a change to employment status is critical to the business and the permanent employee has niche or specialist skills, this will require approval by the [CPO] including a business case submitted for review.”* If approval is provided, the policy states that the employee will be required to take a break in work for at least two months to *“avoid employment liability”*.
112. The policy also states that any employee whose employment has been terminated on grounds of redundancy/voluntary redundancy and who has received a severance payment will not be re-engaged as a contractor. This differs from the current version of the Recruitment & On-boarding Policy, which sets out a wider range of circumstances in which re-engagement is prohibited, as set out above.
113. The policy also states that in exceptional circumstances, there may be a justifiable case for the re-engagement of such an individual, but this can only occur after a 12-month



break in service. Such an arrangement requires review by the Tax team and agreement by the relevant member of the GE and CPO. This too differs from the current version of the Recruitment & On-boarding Policy, which does not set out any such exception.

Speak Up Policy

114. I have reviewed version 8, which has been effective since 16 May 2023.
115. At §1.4, an explanation of what constitutes a Speak Up report is set out, which is largely based on the statutory definition of protected disclosures, albeit with some expansion.
116. At §1.7, it states that the policy *“should not be used by Staff wishing to raise complaints relating to their own personal circumstances, such as the way they have been treated at work. Speak Up reporting is a matter of public interest that meets the definition of a Public Interest Disclosure set out in this Policy and statute. Grievances and matters such as bullying and harassment or dissatisfaction with a performance rating should be raised in accordance with the procedures set out in the appropriate HR policy.”*
117. At §1.11, the policy states that *“in all instances any Speak Up reports, regardless of reporting method, will be responded to within 5 working days. All reports will be fully reviewed and investigated...”*



E. OVERVIEW OF GOVERNANCE OF POL

Articles of Association

118. The Postal Services Act 2011 provided for a 'Post Office company' to continue to be owned by the Crown or a mutual ownership structure following the privatisation of the Royal Mail. The Post Office formally separated from the Royal Mail Group on 1 April 2012 and became a private company limited by shares. On separation, the Secretary of State was granted a 'Special Share' in POL. Their rights and privileges are set out in the Articles of Association.
119. I have reviewed both versions of the Articles of Association in force at the time of the allegations, namely the version adopted by special resolution on 19 March 2020 and amended by a written resolution passed on 14 December 2022; there are no material differences.
120. Article 8.1 confers on the Shareholder (i.e. the Secretary of State) various rights which prevent significant changes being made to POL's governance, without their consent. Relevantly, the prior written consent of the Shareholder is required, under Article 8.1(E), in respect of any material variation to the:
- (1) Remuneration (including, without limitation, salary, share options, bonuses, benefits in kind and pension rights) paid or granted to any director of POL;
 - (2) Terms and conditions of employment or engagement of any director of POL.
121. Article 8.3 specifies the approval procedure to be followed, namely:
- (1) The Board must resolve to seek such consent from the Shareholder, provided it seeks to give advance notice of the circumstances in which the need for consent is likely to arise, insofar as possible and wherever reasonable and practicable;



- (2) If such a resolution is made, POL shall give written notice to the Shareholder, stating that the matter is important and requires immediate attention, and set out sufficient information about the request, amongst other requirements;
- (3) Within ten business days of the notice, the Shareholder shall give written notice to the POL Secretary either setting out their consent or refusal to consent (as the case may be), or requesting a further ten business days to consider the matter.

Framework Document

122. A Shareholder Relationship Framework Document (the “**Framework Document**”) was drawn up by the Department of Business, Enterprise and Industrial Strategy (“**BEIS**”) and UKGI, the Shareholder’s Representative, in collaboration with POL to describe: (i) how POL is expected to operate; (ii) obligations with which POL is expected to comply; and (iii) how POL is expected to interact with the Shareholder and Shareholder’s Representative. The Framework Document is expressed to not be legally binding on the parties, although I understand POL seeks to give effect to it in good faith.
123. At §1.2, the Framework Document explains that POL is classified as a Public Non-Financial Corporation under the Office for National Statistics national account system with BEIS (now the Department for Business and Trade, “**DBT**”) as the sponsoring department. Neither the Shareholder nor Shareholder’s Representative has any involvement in the day-to-day operations of POL. However, whilst the Board of POL retains operational control, it is accountable to the Shareholder for POL’s performance and must seek consent for certain matters, as set out in the Articles of Association.
124. The Framework Document states, at Appendix 2, that POL “*shall have regard to*” the principles set out in the relevant sections of various government guidance documents, including Managing Public Money (“**MPM**”) and HM Treasury Guidance for approval of Senior Pay (“**Senior Pay Guidance**”), which I refer to below.



125. At §6.1, the Framework Document states that the Shareholder’s Principal Accounting Officer (“**PAO**”) is the BEIS Permanent Secretary. At the relevant time, this was Sarah Munby. The PAO is accountable to Parliament in respect of POL and for ensuring that arrangements are in place to ensure effective shareholder oversight of POL.
126. At §6.2, it states that the PAO has designated the CEO as POL’s Accounting Officer (“**AO**”) and expects the CEO to “*observe the principles*” set out by the Treasury in MPM, with “*particular regard*” to the standards expected of the AO’s organisation. The AO is “*personally responsible*” for: (i) safeguarding all funds for which they have charge; (ii) ensuring propriety, regularity, value for money and feasibility in the handling of those funds; and (iii) the day-to-day operations and management of POL. In addition, the CEO should ensure that POL is run on the basis of the standards of governance, decision-making and financial management set out in MPM, and uses internal and external audit to improve its internal controls and performance.

MPM

127. MPM sets out the main principles for dealing with resources in public sector organisations. Chapter 3 sets out the personal responsibilities of AOs. It explains that AOs must be able to “*assure Parliament and the public of high standards of probity in the management of public funds*”. Box 3.1 sets out the standards expected of the AO’s organisation, referenced above, which includes:
- (1) Governance:
 - (a) Having a governance structure which transmits, delegates, implements and enforces decisions;
 - (b) Having trustworthy internal controls to safeguard, channel and record resources as intended;
 - (c) Operating with propriety and regularity in all its transactions;
 - (2) Financial management:



- (a) Using its resources efficiently, economically and effectively, avoiding waste and extravagance;
- (b) Planning to use its resources on an affordable and sustainable path, within agreed limits;
- (c) Using management information systems to gain assurance about value for money and the quality of delivery and so make timely adjustments.

128. The Treasury has also produced an 'Accounting Officer's Survival Guide', which explains that the AO should assess each initiative or activity within their organisation to see whether it meets certain standards set out at Box 3.2 of MPM, namely:

- (1) Regularity: the proposal has sufficient legal basis, parliamentary authority and Treasury authorisation, and is compatible with agreed spending budgets;
- (2) Propriety: the proposal meets the high standards of public conduct and relevant parliamentary control procedures and expectations;
- (3) Value for money: in comparison to alternative proposals or doing nothing, the proposal delivers value for the Exchequer as a whole;
- (4) Feasibility: the proposals can be implemented accurately, sustainably and to the intended timetable.

Senior Pay Guidance

129. In addition to the controls set out above, the Senior Pay Guidance requires the Chief Secretary to the Treasury to approve pay and remuneration levels at and above a defined threshold for appointments to public sector bodies, including organisations within the UKGI portfolio, which are subject to ministerial approval. This applies to the CEO, Chair and Directors of POL, given their appointment is subject to the prior written consent of the Shareholder, pursuant to Article 8.1(A) of the Articles of Association.



The Board

130. POL's Board of Directors comprises: the Chair; the SID; seven NEDs, which includes a UKGI representative and two Postmaster NEDs; and two EDs, namely the CEO and Chief Financial Officer ("CFO"). Following Mr Staunton's removal, Mr Tidswell, as the SID, is chairing Board meetings until an interim Chair is appointed.
131. The Board is responsible for matters including: (i) setting POL's strategic direction; (ii) setting and ensuring a proper framework for the management of risk; (iii) maintaining a sound system of internal control to allow POL to meet its statutory/regulatory obligations; (iv) ensuring regular and active communications with the Shareholder; and (v) ensuring that any requirements for the use of public funds are complied with, having regard to the Articles of Association, Framework Document and associated guidance.
132. Under Article 49 of the Articles of Association, the Board has the power to delegate its powers to any committee. There are several Board Committees which deal with matters requiring independent oversight, including RemCo, the Nominations Committee ("NomCo") and Audit, Risk and Compliance Committee ("ARC"). I understand the Board has delegated to RemCo the approval of any variation in the remuneration paid to directors and/or their terms and conditions of employment or engagement, subject to Shareholder consent.
133. Each Committee is chaired by a NED and operates within its own agreed Terms of Reference. I have considered the current and historical versions of the Terms of Reference of RemCo and NomCo, which are relevant to some of the Allegations and I refer to in more detail in the 'Findings of Fact' section below. Broadly:
- (1) RemCo is responsible for: (i) designing any remuneration policies and practices; (ii) making recommendations to the Shareholder on the remuneration of Executive Directors ("EDs") and fees for NEDs (apart from the Chair); (iii) approving the remuneration packages of members of the GE; and (iv) approving any LTIPs and STIPs.



- (2) NomCo is responsible for: (i) recommending to the Board any changes in Board membership or Company Secretary; (ii) approving the appointment or removal of members of the GE; and (iii) overseeing any succession planning for the Board and at GE and SLG level.

The GE/SEG

134. During the course of the investigation, the structure of the Executive team changed. Initially, there was the GE, comprised of the: CEO; Interim CFO; Deputy CEO; CPO; Chief Transformation Officer (“CTO”); General Counsel; CRO; and Communications Director. Others attended GE meetings as required, including the: Strategy and Transformation Director; Remediation Unit Director; Public Inquiry Director; and Chief of Staff.
135. In February 2024, the Strategic Executive Group (“SEG”) replaced the GE, comprised of the: CEO; Interim CFO; Deputy CEO; CTO; and CPO. General Counsel and Chief of Staff attend SEG meetings as required. It is a slimmer Executive team. The CRO now reports to the Deputy CEO; the Strategy and Transformation Director reports to the Interim CFO; and the Communications Director, Remediation Unit Director and Public Inquiry Director all report to the CPO.
136. The GE was and now the SEG is the most senior management team, accountable to the Board for day-to-day operations within POL.



F. FINDINGS OF FACT

Background

137. Prior to starting work at POL, Ms Davies had been CPO at McKesson UK. Following a recruitment process via headhunters, POL offered the CPO role on a permanent basis to Ms Davies on around 21 October 2022. She started the role on 1 December 2022 (which was also the same day that Mr Staunton's appointment as Chair formally commenced). She had a six month probationary period, which could be extended at POL's discretion.
138. Ms Davies took over the CPO role from Ms Williams, who had worked on a part-time basis in the latter stages of her employment. Helen Rhodes, former People Support Services Director, and Lee Kelly, former Industrial Relations Director, deputised for Ms Williams when she was not at work. I am told, and accept, that Ms Davies and Ms Williams had a difficult handover in December 2022.
139. On 3 February 2023, Ms Rhodes resigned with immediate effect, citing Ms Davies' alleged bullying as the reason for her resignation. Subsequently, a number of Speak Up reports were made, some of which were anonymous, raising similar concerns. An external investigation was commissioned in April 2023 to consider the complaints by Ms Rhodes and others, and conclude whether there was a case to answer at any disciplinary hearing in relation to Ms Davies' behaviour.
140. Ms Davies was GRO from 22 May 2023 onwards. She did not return to work before she left POL.
141. On 30 May 2023, Simon Stephen, a solicitor at Hemingsley Law, concluded that: (i) there may be a case to answer in respect of whether Ms Davies' behaviour, on occasion, amounted to bullying within the meaning of the Dignity At Work Policy, and her approach and conduct contributed to a working environment in the People leadership team that led to colleagues resigning and/or taking sick leave; and (ii) there appeared to



be a case to answer as to whether she had failed to follow procedure in respect of recruitment.

142. On 28 June 2023, Mr Read advised NomCo that he was unable to confirm Ms Davies' suitability for continued employment with POL (as she was still in her probationary period, which had been extended) and wished to terminate her employment with immediate effect from 30 June 2023. At a meeting on 29 June 2023, NomCo approved the termination of Ms Davies' employment, with effect on the following day. Ms Davies was informed of the decision on the same day, receiving payment in lieu of notice.
143. On 4 September 2023, Ms Davies wrote to Mr Foat by way of her Speak Up Complaint, stating that she wished to make a formal complaint in relation to the treatment she said she received from POL and Mr Read in particular.

Allegation 2.1

144. In her Speak Up Complaint, Ms Davies contends that her predecessor, Ms Williams, put forward a paper for a RemCo meeting in 2022 in which she recommended that a multiplier was applied to Mr Read's total bonus, when it should have only applied to the personal element of his bonus. She alleged that resulted in an overpayment to Mr Read, which was challenged by the Shareholder and resulted in the former RemCo Chair, Lisa Harrington, apologising to the Shareholder. She alleged that Ms Williams orchestrated this overpayment, so "*it would seem totally feasible that Mr Read was fully aware*".
145. In 2021/22, Mr Read's remuneration package comprised a base salary of £415,000 (which I discuss in respect of Allegation 2.10), along with eligibility to participate in:
- (1) An STIP for 2021/22, worth 30% of the base salary for on-target performance (£124,500), and 45% at stretch (£186,750);
 - (2) An LTIP for 2021/24, worth 30% of the base salary for on-target performance (£124,500), and 43% at stretch (£178,450).



146. That resulted in total on-target compensation of £664,000 and total maximum compensation of £780,200. Relevantly, the scheme rules for the 2021/22 STIP stated that the payment date would normally be the earliest possible pay cycle after POL's financial results for the scheme year had been subject to the necessary audit requirements.
147. Ken McCall, Ms Harrington's predecessor as RemCo Chair, had sought approval to include Mr Read in the 2021/22 STIP from Sarah Munby by letter dated 5 August 2021 (although it appears not to have been issued until 12 October 2021). The letter explained that *"there are Company measures in the plan which account for 80% of the plan payment and comprise both financial and Postmaster-centric measures. The remaining 20% is on personal performance in line with the rating received through the Performance Management process."* I understand that approval was granted by the Shareholder in respect of the proposed design and structure of the 2021/22 STIP set out in this letter.
148. After the financial year end, a paper was put forward by Ms Williams for the RemCo meeting on 5 July 2022 which set out the recommended outturn for individual GE members for the 2021/22 STIP. Mr Read was listed as the sponsor of the paper. She proposed that a multiplier should be applied to the bonus, which was derived from the overall personal contribution and performance rating. In particular, the relationship between the performance rating and multiplier was as follows:

Performance rating	Proposed bonus multiplier
Exceptional (5)	1.5
Exceeds Expectations (4)	1.2
Successfully Achieved (3)	1
Some Improvement or Development required (2)	0.5
Significant Improvement required (1)	0

149. The paper set out the proposed STIP outturn for each individual GE member, based on eligibility and the multiplier, as follows:



GE member	Salary	STIP eligibility (Target/ Maximum)	Bonus Multiplier	Total
Nick Read	£415,000	30%/45%	5 (x1.5)	£185,256
Al Cameron	£244,800	40%/66%	3 (x1)	£97,137
Ben Foat	██████	██████	██████	██████
Richard Taylor	██████	██████	██████	██████
Angela Williams*	██████	██████	██████	██████
Owen Woodley	██████	██████	██████	██████
Dan Zinner	██████	██████	██████	██████

Zdravko Mladenov, Martin Roberts and Lisa Cherry have no eligibility for STIP in 2021/22

**Part year in 2021/22*

150. In short, Ms Williams proposed applying the multiplier to the whole bonus; she did not differentiate between the Company metrics (with an 80% weighting) and personal metrics (with a 20% weighting). She asked RemCo to allow payments to be made once the 2021/22 Annual Report and Accounts (“ARA”) were formally signed by the auditors and ARC, ideally no later than August 2022. For the CEO and CFO, she said payments may need to be delayed until the publication of the ARA, but requested payment was made in August 2022 to recognise the CEO’s contributions during a challenging period.
151. Ms Davies alleged there was a “*conflict of interest*” in that Mr Read benefitted from the proposal, which was not mentioned in the paper. I consider it is likely that Mr Read approved the submission of the paper to RemCo. As discussed further below, he did so in respect of the paper that was sent to RemCo for the meeting on 26 July 2022; and Ms Williams told me, which I accept, that she usually sent him papers for RemCo meetings in advance for his input. He was therefore likely to be aware of Ms Williams’ proposal to RemCo before the meeting took place.



152. I do not consider, however, that Mr Read should have asked Ms Williams to highlight in the paper or at the meeting any purported conflict of interest. Mr Tidswell (who is a member of RemCo) told me, and I accept, that the Committee was well aware that Ms Williams had put forward proposals that financially benefitted Mr Read (and others, including herself), which it duly scrutinised at the meeting.
153. That proposals for bonuses of GE members were put forward by the CPO is to be expected. The purpose of RemCo is to have independent oversight of the remuneration packages of GE members. It was RemCo's responsibility to approve any STIP outturns (subject to prior Shareholder consent where appropriate); and not the responsibility of Mr Read or Ms Williams to do so. I do not find that there was any conflict of interest in this respect.
154. At the meeting on 5 July 2022, RemCo considered the paper tabled by Ms Williams. The Chair of RemCo, now Ms Harrington, asked the Committee to consider the recommended award for Mr Read, before he joined (as an attendee, rather than member of RemCo). Following debate, RemCo resolved to approve Mr Read's performance rating as Exceptional (5).
155. Subsequently, Mr Read (and others) joined the meeting. A discussion was held regarding Ms Williams' proposal in respect of the STIP for individual GE members. Ms Williams explained that the multiplier approach would align the GE with the Management Incentive Plan that applied to other staff, where a multiplier based on personal performance was applied to the entire bonus (albeit their bonus was based on company metrics only). She suggested that the letter dated 5 August 2021 to BEIS explained that the personal element would determine the multiplier. Mr Cooper suggested that this approach had not been set out clearly in the letter. The minutes do not record Mr Read as having contributed to the debate.
156. RemCo declined to approve the STIP outturn and asked Paul Wood, former Reward Director, to return to the next meeting with further details, so RemCo could understand the approach historically and determine whether any additional Shareholder approval or



consultation was required. In my judgement, Ms Williams and Mr Read knew that it was unclear whether sufficient Shareholder approval had been obtained for the suggested multiplier approach in respect of his bonus.

157. Shortly after the RemCo meeting, a Board meeting appears to have taken place. Mr Read provided Ms Williams with a summary of the meeting via Teams message on 13 July 2022. In respect of Ms Harrington's summary of the matters before RemCo, he said to Ms Williams, *"the personal element is drifting away i sense...this will be the straw for me personally, but i will suspend my own views for the time being. It makes a mockery of Lisa's desire to 'reward' at a personal level."* In response, Ms Williams said, *"on the personal element I'm still giving it a go and Lisa was open to the discussion – so I'm not giving up yet!!"* When I questioned him about this exchange, Mr Read said he felt *"intense frustration"* at how RemCo were handling the matter.
158. Subsequently, Ms Williams prepared a more detailed paper for RemCo, which she asked Mr Read to approve for submission to RemCo and he did. In the paper, Ms Williams set out three options for RemCo, namely:
- (1) Base: Apply the multiplier only to the individual metrics with a 20% weighting;
 - (2) Option 1: Apply the multiplier to the whole bonus, using the multipliers originally provided. There was an additional cost of about £220,000 associated with this, but it could be covered from previously accrued bonus funding, which had not been reallocated;
 - (3) Option 2: Apply the multiplier to the whole bonus, but using a lower set of multipliers to avoid any additional cost. She suggested reduced multipliers of 1.3, 1.1, 0.95 and 0.5.
159. The paper included a revised table of proposed STIP outturns, as follows:



GE member	Salary	STIP eligibility (Target/Max)	Rating	Base: 5 = x1.5 4 = x1.2 3 = x1 2 = x0.5	Option 1: 5 = x1.5 4 = x1.2 3 = x1 2 = x0.5	Option 2: 5 = x1.3 4 = x1.1 3 = x0.95 2 = x0.5
Nick Read	£415,000	30%/45%	5	£138,404	£189,477	£164,213
Al Cameron	£244,800	40%/66%	3	£99,064	£99,350	£94,382
Ben Foat						
Richard Taylor						
Angela Williams*						
Owen Woodley						
Dan Zinner						

Zdravko Mladenov, Martin Roberts and Lisa Cherry have no eligibility for STIP in 2021/22

**Part year in 2021/22*

160. Ms Williams still asked RemCo to approve the original proposal, i.e. Option 1, on the basis that it would “mitigate the risks around talent retention and motivation, given the combination of ongoing substantial business challenge and external pressure coupled with a vibrant recruitment market.” In my judgement, Ms Williams proposed this approach, at least in part, to encourage Mr Read to stay at POL, in light of his ongoing dissatisfaction with his pay, which I consider in respect of Allegation 2.10 below.
161. Ms Williams set out the past practice in 2019/20 on the basis that no STIPs payments were made in 2020/21 and the scheme was instead replaced with the Transformation Incentive Scheme. She explained that in respect of the GE, individual performance was recognised by the individual metrics with a 20% weighting, i.e. no multiplier had been applied. As for the SLG and any eligible staff below this level, they received a bonus



which was based upon company metrics only to which a multiplier was applied based upon performance and available budget.

162. Ms Williams said in respect of the letter that was issued to BEIS on 11 October 2021³ that the “*explicit intent for the personal element to drive overall payment outturn was not included in the letter and therefore [it was] ambiguous on intent.*” However, she said, the intent was to differentiate payment for the best performers which was “*best achieved by applying the individual performance multiplier to the whole incentive*”.
163. Ms Davies said in interview that she was told that the historical data provided to RemCo was “*doctored*”. When I asked Ms Davies to explain who had made this remark, she declined to do so, although I believe she is referring to information she was told by Mr Wood at handover. She said she was told that fundamental details were withheld, such as Mr Read’s remuneration package and the proposed changes to it. I do not consider that it was necessary for the wider remuneration package of Mr Read (or indeed of any other GE members) to be set out in the paper, given that RemCo had specifically asked for further information in respect of the historical approach to the STIP. If they wanted that information, they could have asked for it. As outlined above, the paper set out the financial impact of the three options to RemCo clearly. Ultimately, there is no evidence before me that Ms Williams’ paper to RemCo was “*doctored*”.
164. A further RemCo meeting was held on 26 July 2022. Mr Read did not attend as he was on holiday. The minutes record a debate in respect of the three options before RemCo: Tim Parker, former Chair of POL, and Mr Tidswell were in favour of Option 1; Ms Harrington was in favour of Option 2, with payments made to the CEO and CFO once the ARA were approved in August; Mr Cooper was in favour of maintaining current practice by way of the ‘Base’ option. Mr Parker then considered that the proposed change of approach regarding the multiplier had not been communicated clearly to RemCo and considered that Mr Cooper could not approve an approach that had not been agreed with BEIS. RemCo largely agreed on the principle of applying a multiplier, but considered that the Shareholder had not approved such an approach.

³ I understand this to be a reference to the letter to Sarah Munby dated 5 August 2021.



165. As a compromise, RemCo agreed Option 2, i.e. the application of a reduced multiplier to the whole bonus, with payments being made in August, provided that the ARA were signed beforehand. However, there was some discussion as to whether it would be appropriate to move the Successfully Achieved (3) rating multiplier to 1, instead of 0.95, given a consistent approach to the multiplier would need to be applied to all staff and not just GE members. It was decided that would be resolved by email. Relevantly, RemCo resolved to approve:
- (1) The application of the personal multiplier to the whole 2021/22 STIP using the reduced multipliers under Option 2 for GE members;
 - (2) The making of a recommendation to the Shareholder for the 2021/22 STIP performance-related pay for Mr Read and Mr Cameron set out under Option 2.
166. The minutes do not record who would be responsible for making the recommendation to the Shareholder and seeking consent for the approach before payment was made.
167. Overall, I do not consider that any error was made by RemCo in making these resolutions. It was open to RemCo to reconsider the structure and design of the 2021/22 STIP that had been initially agreed, in accordance with its Terms of Reference and the STIP scheme rules. This, however, was subject to the need to obtain prior Shareholder consent in respect of the bonus for Mr Read and Mr Cameron, as EDs.
168. Ms Williams updated Mr Read about the outcome of the meeting that day via Teams message. She said, *“I managed to get the multiplier applied to the 100% on STIP 21/22 but on the Option 2 (lower multiplier) however, I agreed to re-run the numbers as I do not agree we should give 0.95 for a 3 rating we will be lynched! I think I can make it add up and will confirm back – have also gained approval for August payment subject to ARC approval – nearly there”*. Mr Read responded, *“That sounds very positive Angela. well done! I agree about 0.95. It is simply not an option. I wont agree to it. excellent news on Aug payments too.”*



169. Following the meeting, Mr Wood enquired by email on 4 August 2022 with Roshana Arasaratnam, ED at UKGI, and Siv Rajeswaran, Manager at UKGI, whether there was any need to run the bonus payments for Mr Read and Mr Cameron past any more individuals before payment was loaded onto payroll for August. Ms Arasaratnam said that day that if the multiplier applied to the whole bonus, then such an approach would need further approval.
170. Mr Wood forwarded Ms Arasaratnam's email to Ms Harrington asking for her guidance. She responded, copying in Mr Cooper, saying she was unclear about how governance worked in this scenario. In response, Mr Cooper said there was a requirement for POL to "consult on pay somewhere in the governance docs". Ms Harrington said to Mr Cooper and Mr Wood that the matter should be added to the agenda for the forthcoming RemCo meeting in August. Accordingly, Mr Wood asked Rachel Scarrabelotti, Company Secretary, to add the matter to the agenda as AOB, copying in Ms Williams. However, Ms Williams then told Mr Wood and Ms Scarrabelotti that this was not an item that Ms Harrington needed to manage and instead she would pick up the matter with Mr Rajeswaran and the team at UKGI.
171. Ms Williams told me that she decided that RemCo did not need to address the matter because it had already made a recommendation in respect of the bonuses for Mr Read and Mr Cameron; rather, the matter now needed to go to BEIS for approval. She said that she had weekly meetings with UKGI at which she would have raised the need to obtain approval from BEIS in respect of Mr Read's bonus. However, I am sceptical about what I was told by Ms Williams and have found no evidence which corroborates it. Ultimately, written notice seeking Shareholder consent for the change in approach should have been given by POL in accordance with the Articles of Association, which did not occur.
172. A letter dated 24 August 2022 was sent from Mr Parker to Mr Read confirming that his performance rating of Exceptional (5) meant that his on-target bonus after achieving 100.7% against business measures would be adjusted by a multiple of 1.3, resulting in a final bonus of £162,982.93. The payment of Mr Read's 2021/22 STIP was loaded onto



payroll and made towards the end of August 2022, once the ARA had been signed. Payment was made without prior Shareholder consent having been requested or obtained.

173. However, Mr Read did not receive a payment for the 2019/22 LTIP as he had expected. On 24 August 2022, Mr Read sent Ms Williams a Teams message, expressing his displeasure and noting that if RemCo was *“trying to push me away they are doing a great job... this, along with their imposition of incentives is becoming unacceptable. i wont stand for it.”* Ms Williams said in reply that she would try to resolve the issue with the LTIP payment without delay.
174. On 25 August 2022, Mr Parker appears to have spoken to Mr Read about the payment of his bonus, although I do not know what was said. Ms Williams raised the matter of the LTIP payment with Ms Harrington, who confirmed that it was acceptable to make the payment straight away. Ms Williams updated Mr Read later that night. Mr Read told Ms Williams in response, *“I am very appreciative of the speed with which you have moved to rectify this...a drama avoided...”* On 27 August 2022, Mr Parker wrote to Mr Read to confirm that a payment for the 2019/22 LTIP of £114,858.93 would be made to him.
175. Towards the end of September 2022, UKGI discovered that prior Shareholder consent had not been obtained in respect of the 2021/22 STIP payment and in particular the bonus multiplier approach. Ms Arasaratnam prepared a briefing note for Ms Harrington that she sent on 23 September 2022. She noted that RemCo had followed the correct process in recommending the change in STIP 21/22 rules (i.e. by applying the multiplier to the whole bonus) for Shareholder approval; however, POL’s pay team did not seek such approval before making payment.
176. Ms Arasaratnam also noted that the change increased Mr Read’s bonus by about £30,000, which was material in the context of the Shareholder rejecting three previous requests to increase his salary (which I discuss in respect of Allegation 2.10 below). She considered that the failure to obtain prior Shareholder consent was a potential MPM breach, in that there had been a failing in the required controls over public spending, for which Mr Read was responsible as AO. She suggested POL could seek retrospective approval, but there



was no guarantee of success and it was likely to take some time, given that approval was required from the Permanent Secretary, Minister of State, Secretary of State and Chief Secretary to the Treasury. Alternatively, POL could retract the excess bonus payment.

177. Ms Harrington forwarded Ms Arasaratnam's note to Ms Williams, who responded on 24 September 2022 in strong terms. Ms Williams disputed Ms Arasaratnam's conclusions and said that UKGI had confirmed that no further approvals were required and Ms Arasaratnam had not given any clear explanation to the contrary. Pausing here, I consider that Ms Williams was mistaken: Ms Arasaratnam had already explained on 4 August 2022 that further approval was required if the multiplier was applied to the whole bonus. Ms Williams also noted that there was a "serious risk" of losing Mr Read if the payment of the 2021/22 STIP (and his participation in the 2022/23 STIP) was not secured.
178. Accordingly, it was agreed that a letter would be sent to Sarah Munby at BEIS seeking retrospective approval for the payment of the 2021/22 STIP. Ms Williams put together a first draft of the letter. She noted that POL was particularly keen to retain Mr Read, stating that POL had "*submitted proposals to Treasury for specific retention arrangements, all of which have been rejected due to the timing of the Inquiry... In these circumstances, [RemCo] took the view that it would be helpful to maximise motivation and engagement at this important time and make the STIP and LTIP payment to the CEO at the same time as the rest of the senior population.*"
179. Ms Williams shared the letter with Ms Harrington and Mr Read, both of whom provided input. Ms Harrington noted that the letter was missing an acknowledgement that the request was retrospective and the necessary process was not followed. She deleted the sentences quoted above and instead wrote, "*[RemCo] noted that due process would be followed in seeking the appropriate approvals from the shareholder, however these shareholder approvals were not obtained before the payments were made. I have written to you separately to apologise for this oversight and to assure that this was not the intention of [RemCo].*" The finalised letter was sent to Ms Munby on 29 September 2022.



180. A separate letter of apology was sent to Ms Munby on 2 October 2022. In that letter, Ms Harrington noted, *“We recognise the seriousness of our Managing Public Money responsibility and how we have breached this responsibility in making the CEO STIP payment... We are taking steps to ensure that any ambiguity within POL about the approval processes are removed, so there is no prospect of this situation occurring again. I would be pleased to explain in more detail what those steps are.”*
181. I understand that a meeting was held between Ms Harrington and Ms Munby in the last week of October 2022. I have requested the readout or minutes from this meeting from DBT, but this has been refused. Therefore, I do not know what was discussed at the meeting, such as whether there was any discussion as to where fault lay, the extent of Mr Read’s responsibilities as AO and the purported steps taken to prevent this situation from occurring again.
182. As to the latter issue, I asked several individuals, including Mr Read, Ms Williams and Mr Rudkin, what steps, if any, have been put in place. I was informed that no formal processes have been put in place, although Mr Rudkin ensures that payments to Mr Read are not processed until he has checked that the necessary Shareholder approvals are in place. I also note that changes have been made to RemCo’s Terms of Reference⁴, in that it is now made explicit at §3 that RemCo must *“make a recommendation to the Shareholder and Shareholder approval is required in respect of the remuneration packages for Executive Directors.”*
183. Ms Davies alleged that, upon the discovery of this issue, Ms Harrington demanded the resignations of Ms Williams and/or Mr Wood, and ultimately Mr Wood resigned and raised whistleblowing concerns about this issue. I note that: (i) Ms Williams had already indicated her intention to leave POL by this stage, as discussed in respect of Allegation 2.3 below; and (ii) Mr Wood submitted his resignation to Ms Williams on 17 October 2022, shortly after the letter of apology was sent to Ms Munby.

⁴ Effective from 29 March 2023.



184. As I have not spoken to Ms Harrington, I cannot reach any findings as to whether she requested any resignations. However, based on the contemporaneous email evidence I have reviewed, I find that Mr Wood resigned because he was frustrated with Ms Williams treading on his toes as Reward Director; there was clearly tension between the two of them. I have seen no evidence to suggest that Mr Wood raised any whistleblowing concerns or grievance about this matter.
185. As I discuss in respect of Allegation 2.10, the process of seeking retrospective approval for the payment of the 2021/22 STIP took several months. Eventually, such approval was granted by the former Secretary of State for BEIS, the Rt Hon Grant Shapps MP, in late January 2023, which was confirmed by letter from the Parliamentary Under Secretary of State at DBT, the Rt Hon Kevin Hollinrake MP, to Mr Staunton dated 2 April 2023.
186. In light of the above events, I find that there was a bonus multiplier error in the sense that prior Shareholder consent was not obtained before payment for the 2021/22 STIP was made to Mr Read at the end of August 2022. The error did not result in an overpayment as such, given that retrospective approval for the 2021/22 STIP was granted.
187. The failure to obtain consent appears to have arisen as a result of Ms Williams and/or her team misunderstanding or disregarding the necessary approval processes to be followed. It is likely that Ms Williams overlooked Ms Arasaratnam's email of 4 August 2022, given that she was working on a part-time basis by this stage and was finding it increasingly difficult to manage her workload (which I discuss further in respect of Allegation 2.3). I recognise that Ms Williams was keen to ensure payment to Mr Read as quickly as possible as he was a retention risk, but I do not consider she "*orchestrated*" matters, as Ms Davies alleges.
188. I have considered carefully the question of what, if anything, Mr Read knew about this error. I asked Ms Davies why she considered that Mr Read had such awareness. She said that: (i) he was the sponsor of the paper that was put forward by RemCo; and (ii) the CFO or audit team had not been notified about redirecting the surplus within the bonus accrual pot to pay out the additional element of the bonus. I do not consider that either



matter (even assuming that (ii) is correct, as to which I make no findings) shows one way or another that Mr Read knew that prior Shareholder consent had not been obtained.

189. Mr Read told me, and I accept, that he did not know that prior Shareholder consent had not been obtained until the issue was raised with him in late September 2022; he said he did not consider the issue at the time he was paid. I have seen no evidence to suggest that Ms Williams, or indeed anyone else, discussed with him the matter of Shareholder consent until the issue was discovered. For the sake of completeness, I should add that I asked the Speak Up team to search the email accounts and Teams messages of several key individuals thoroughly. I also requested of Mr Read, and he provided, a copy of his WhatsApp messages with Ms Williams.

190. I am mindful that I have found that Mr Read knew that it was unclear whether sufficient Shareholder approval had been obtained in respect of the application of the multiplier to the whole bonus following the RemCo meeting on 5 July 2022. I also consider that he is likely to have known that it would take some time (i.e. weeks and months) for approval to be obtained, if it was needed. However, in my judgement, it was reasonable for Mr Read not to consider the issue any further, given that:

- (1) Ms Williams informed him, after the RemCo meeting on 26 July 2022, that she had *“gained approval for August payment subject to ARC approval”*;
- (2) He knew that the ARA were signed on 17 August 2022, which meant that payment could be made;
- (3) Mr Parker informed him, by letter on 24 August 2022, that the payment of his 2021/22 STIP was confirmed.

191. In short, it was reasonable for Mr Read to be reassured by these events that no issue with process had in fact arisen. I have taken into account that POL appears to have accepted, by way of its letter of apology to Ms Munby, that the failure to obtain prior Shareholder consent amounted to a breach of MPM, for which Mr Read is personally responsible as



AO. However, Mr Read's personal responsibilities under MPM do not necessarily entail that he was aware of any such breach at the time; rather, it is a question of where accountability under MPM sits. As Mr Cooper put it, the responsibilities of an AO under MPM can sometimes be at odds with how public corporations work in practice.

192. In the circumstances, I find that Mr Read was not aware of the bonus multiplier error, namely that prior Shareholder consent had not been obtained, before payment was made to him, and therefore it was not a matter that he needed to declare to RemCo. However, in my judgement, the error demonstrates that POL's pay processes were deficient at the time, for which Mr Read has personal responsibility as AO.

Allegation 2.2

193. In her Speak Up Complaint, Ms Davies alleges that Ms Williams and Mr Foat also financially benefitted from the application of the multiplier to the total bonus, but this was not declared to RemCo. At interview, Ms Davies clarified this remark and accepted that the proposed changes which affected Ms Williams and Mr Foat were tabled within the paper, but Ms Williams' conflict of interest was not declared and properly noted.

194. As outlined in the table above, Ms Williams and Mr Foat both received an Exceeds Expectations (4) rating, which resulted in the application of a (reduced) multiplier of 1.2 under Option 2 to their annual bonus for 2021/22 and thus an uplifted award. However, I find that no error was made: as I have found in respect of Allegation 2.1, it was open to RemCo to approve the application of the multiplier to the whole bonus for GE members, even if that was not included in the original design and structure of the 2021/22 STIP, in accordance with RemCo's Terms of Reference and the STIP scheme rules.

195. As for Ms Davies' contention that the conflict of interest was not properly declared and noted, I have already found that Ms Williams had put forward proposals that financially benefitted her (and Mr Foat), of which RemCo was well aware and which it properly scrutinised. Given RemCo had independent oversight of the remuneration packages of



GE members, no conflict of interest arose. In the circumstances, there was no error or conflict of interest for Mr Read, or anyone else, to declare.

Allegation 2.3

196. In her Speak Up Complaint, Ms Davies alleges that Ms Williams secured another full-time executive position with a different business, but continued working part-time for POL in April 2022, as to which it was unclear if this was disclosed to and approved by RemCo, and in any event did not conform with executive terms of appointment.
197. At interview, Ms Davies said that Ms Williams told her in around October or November 2022 that no one knew that she was working for another organisation. She also indicated that the full time equivalent (“FTE”) of Ms Williams’ salary when she moved to a part-time contract of employment was greater than Mr Read’s salary and that was a breach of policy in that Treasury should have signed off such a large pay package (which I understood to be a reference to the Senior Pay Guidance).
198. Ms Williams joined POL as interim CPO from 19 April 2021 under a 12-month fixed-term contract of employment to provide [GRO] for Lisa Cherry, former CPO. It was proposed that she would receive: a salary of £280,000 and an STIP worth 25% of the salary for on-target performance (£70,000), and 35% at stretch (£98,000). She had no entitlement to an LTIP (although at some point appears to have become eligible to participate). Her appointment was approved by NomCo and her initial remuneration package was approved by RemCo.
199. Ms Cherry later decided to extend the period of her [GRO] leave, which resulted in Ms Williams’ contract of employment being extended to expire on 31 August 2022. Ms Williams told me, and I accept, that: in early 2022 she approached Ms Cherry to confirm if she intended to return to POL at the end of her [GRO] leave; and Ms Cherry indicated that was her intention. Accordingly, Ms Williams applied for a full-time role as a CPO in a different organisation, which she secured. Towards the end of March 2022,



Ms Williams informed Mr Read that she wished to leave POL by the end of April 2022 (four months earlier than her anticipated termination date) to start her new role.

200. However, shortly afterwards, Ms Cherry informed Mr Read that she had applied for another role during her [GRO] leave and if successful, indicated her intention to resign. Mr Read approached Ms Williams to see if she was willing to change her mind and remain at POL. Ms Williams told him she had made a commitment to the new organisation and wished to work for them. Ultimately, Mr Read and Ms Williams agreed that she would try to balance the commitments to both organisations by working on a part-time basis for POL whilst a recruitment process for a permanent CPO was underway. It was anticipated such a process would take around three to four months.
201. Ms Williams says she agreed with Mr Read that she would only be responsible for discrete areas under the new arrangement, such as remuneration issues and preparing for the Inquiry and culture change programmes. She was more reliant upon her direct reports, such as Ms Rhodes and Mr Kelly, in respect of the leadership of the People team on a day-to-day basis. She viewed herself as akin to a consultant under the new arrangement.
202. Ms Williams' initial understanding with Mr Read was that she would continue to receive her existing salary on a pro rata basis, as I refer to below. Mr Read left the details of Ms Williams' pay to Mr Wood to arrange. Ms Williams informed Mr Wood that she wanted to move towards the role of consultant, so he decided that it would be appropriate to calculate her pay according to a daily contractor rate with no separate entitlement to bonuses.
203. On 29 March 2022, Mr Wood suggested a proposal regarding Ms Williams' pay to Mr Read. He said that they could put forward the proposal to Ms Harrington for "completeness/as a courtesy" but suggested it did not need more than Mr Read's "nod". Mr Wood noted that Ms Williams currently had a salary of £280,000 plus pension contributions and STIP/LTIP eligibility. He suggested that:



- (1) Ms Williams was paid £13,000 gross per month. He said this was based upon a day rate reflecting approximately 2 days or 20 hours of work per week. This proposal “baked in” pension contributions and bonus payments, which would stop accruing;
 - (2) Ms Williams was treated as a ‘good leaver’ for the:
 - (a) 2021/22 STIP, to be paid in August 2022 at an estimate of £70,000;
 - (b) 2021/24 LTIP, to be paid in August 2024 at an estimate of £35,000.
204. Mr Read approved the proposal, noting that they would have to discuss it with Ms Harrington the following week. Mr Read told me in his second interview, after having spoken to Ms Williams shortly beforehand, that he presented the proposal to Ms Harrington and Mr Parker, as did Ms Williams separately, but he could not recall when. However, aside from this statement, there was no evidence of any such conversations, which I consider in further detail below.
205. On 24 April 2022, Mr Read notified Ms Harrington and other members of RemCo of the proposal by email. He said that Ms Williams was due to leave POL at the end of April and Ms Cherry had signposted that she did not intend to return to her role as CPO, but she had not formally resigned as she was in the final stages of a recruitment process. Ms Cherry had indicated to Mr Read that he could start the process of recruiting her successor, but he felt cautious until she had formally resigned.
206. Mr Read explained that he did not wish to recruit another interim CPO because there had been too much turnover in the People leadership team in recent years. Accordingly, he explained that he had agreed with Ms Williams that she would stay on in an interim capacity for three to four months for twenty hours per week. He said that they had agreed what responsibilities Ms Williams would have so that everyone was clear. He also put forward an Exceeds Expectations (4) rating for Ms Williams for 2021/22.
207. Ms Harrington replied, indicating her support for Ms Williams’ performance rating. In respect of the proposed arrangement, she said her only question was whether POL could commence a search for a new CPO, so that he was not in a position where he had no HR



leader at his side. Mr Read said in response that he did not want to initiate a public search until Ms Cherry had formally resigned. He noted the current situation was “*not ideal, but workable*” and said that recruiting an interim CPO even for three to six months would not be the best option, albeit open to POL if the arrangement with Ms Williams did not work. Ms Harrington agreed with the proposal, noting that the recruitment of an interim CPO was “*not the right next step*”.

208. Immediately after the above email exchange, Mr Wood emailed Mr Read, on 25 April 2022, stating that he was happy to put together the paperwork if Mr Read had the “*green light on Angela’s package*”, to which Mr Read agreed. Given the timing, it appears that Mr Wood was updated on Mr Read’s discussion with Ms Harrington, referenced above. However, Mr Read and Ms Harrington did not discuss by email the proposed remuneration package for Ms Williams.
209. Ms Rhodes prepared a letter on behalf of Mr Read to be sent to Ms Williams confirming the changes to her contract, including that she would receive a base salary of £156,000 (equivalent to £13,000 per month). The letter was shared with Ms Williams, who said that she had understood to have agreed with Mr Read that she would remain on the same terms and conditions (albeit with her working hours reduced and salary pro-rated), including eligibility for STIP/LTIP, and remain in the pension scheme.
210. Mr Wood sent to Ms Williams the proposal he had sent to Mr Read on 29 March 2022, outlined above. In reply, Ms Williams suggested that it was not right to adopt an inconsistent approach with her and suggested that her base salary was pro-rated, whilst continuing to accrue the 22/23 STIP and 22/25 LTIP until her termination date. Mr Wood said there was no risk of inconsistency as he would adopt a similar approach in the future. He explained that he did not want the “*admin*” of paying her for an LTIP in two to three years’ time. He wanted to incorporate the STIP and LTIP entitlement into the base salary, as Ms Williams was guaranteed to receive the minimum, although it meant that she would trade off a potentially larger pay out for STIP and LTIP in the future, for a guaranteed payment in the present.



211. Mr Wood modified the proposal. He suggested to Ms Williams an FTE salary of £420,000, which was based upon her existing salary of £280,000, plus two payments of £70,000 for STIP and LTIP (i.e. equivalent to 25% of her salary for on-target performance). As Ms Williams was to be offered a 0.4 FTE contract, the pro rata salary was £168,000. Any eligibility to participate in future STIP or LTIP schemes would cease with effect from 1 April 2022. Ms Williams approved the proposal.
212. Mr Wood incorporated the modified proposal in a letter, which Mr Read approved on 29 April 2022. The letter confirmed that:
- (1) Ms Williams would work an average of 16.8 hours per week (0.4 FTE) and would receive an annual salary of £168,000. If her working hours exceeded 16.8 hours per week, she would be paid, subject to confirmation of those hours, a daily rate of £1,750;
 - (2) Ms Williams was not eligible to participate in the 2022/23 STIP but retained eligibility under the 2021/22 STIP, anticipated to be paid in the August 2022 payroll;
 - (3) Ms Williams would not be eligible to participate in the 2022/25 LTIP but would retain 'good leaver' status for the 2021/24 LTIP up until the date her contract expired, with the plan expecting to vest in August 2024.
213. On 1 August 2022, Ms Williams' contract of employment was extended again. It was agreed that the contract would expire on 31 December 2022. I am told by Ms Williams, and accept, that this was because the recruitment process for the permanent CPO role took longer than expected.
214. Taking account of the above, I find that Ms Williams continued in part-time employment with POL, whilst employed full-time elsewhere, from April 2022 onwards, because: (i) Ms Cherry had indicated that she did intend to return to POL at the end of GRO leave, after Ms Williams had secured her role elsewhere; (ii) Mr Read, with the approval



of Ms Harrington, did not wish to recruit another interim CPO given the recent high turnover of HR leadership; and (iii) Ms Williams agreed to remain at POL for a period of time whilst the recruitment process for a permanent CPO was underway.

215. I am not aware of any POL policy or procedure that prohibited such an arrangement. However, Ms Williams' contract of employment stated, relevantly, that:

- (1) Clause 4.2(a): during her employment, she would "*devote the whole of [her] time, attention and abilities to Post Office's business...*";
- (2) Clause 13.1: during her employment, she would not, "*except as a representative of [POL] or with the prior written approval of [POL], whether paid or unpaid, be directly or indirectly engaged... in any capacity in any other business, trade, profession or occupation...*"

216. Manifestly, Ms Williams was unable to devote the whole of her "*time, attention and abilities*" to POL whilst carrying out a full-time role at another organisation (as to which I understand she largely carried out her duties in the afternoons and evenings, as the organisation was based in the USA). That said, it appears to have been an implicit understanding between Ms Williams and Mr Read that such a clause would be modified so that she would devote such of her "*time, attention and abilities*" to POL as she could within her reduced working hours, even if that was not recorded in writing.

217. I have not seen any evidence that there was any prior written approval on behalf of POL that Ms Williams could be engaged or employed as a CPO at another organisation, during her employment by POL. Again, however, Mr Read appears to have implicitly approved such an arrangement, given he agreed that Ms Williams could carry out the two roles simultaneously. It would have been advisable to record in writing that: (i) POL approved Ms Williams' full-time engagement or employment as a CPO at a different organisation; and (ii) clause 4.2(a) was modified, so as to require Ms Williams' devotion to POL within her reduced working hours.



218. Consequently, I find that Ms Williams' arrangement from April 2022 in working part-time for POL whilst working full-time elsewhere as CPO was a breach of the express terms of her contract of employment, specifically clauses 4.2(a) and 13.1 as outlined above; however, the intention of Ms Williams and Mr Read is likely to have been that clause 4.2(a) should have been modified to reflect the circumstances and approval was, at least implicitly, granted for the arrangement.
219. For the reasons set out above, I find that Mr Read was aware and approved of Ms Williams' arrangement in working part-time for POL whilst employed full-time with another organisation from April 2022, including the changes that were made to her remuneration package.
220. I also find that Mr Read notified Ms Harrington about Ms Williams' new arrangement in working part-time for POL, which she approved. Whilst he did not inform Ms Harrington in his email of 24 April 2022 that Ms Williams would be working full-time elsewhere at the same time, I was told by Ms Williams and Mr Tidswell, and accept, that RemCo was aware that she had another job elsewhere.
221. However, I find that Mr Read did not inform RemCo of the changes made to Ms Williams' pay for the following reasons:
- (1) I have seen no documentary evidence referring to such a conversation. I recognise that I have not spoken to Ms Harrington or Mr Parker about this matter; however, I have spoken to Mr Tidswell, a member of RemCo, who does not have any recollection, and cannot locate any evidence, of RemCo being informed (directly or indirectly) about the changes made to Ms William's pay;
 - (2) In his first interview, Mr Read was uncertain if RemCo had any oversight of this matter and therefore if he even needed to raise the matter. Prior to speaking to me at the second interview, but after having received documents that I wished to discuss with him, Mr Read spoke to Ms Williams. My impression was that his apparent recollection that he (and Ms Williams) spoke to Ms Harrington and Mr



Parker arose as a result of that recent conversation with Ms Williams. However, she then provided me with quite a different account, suggesting that she had not spoken to anyone in RemCo about her pay. Their accounts on this matter are therefore unreliable;

- (3) Mr Wood received the “*green light*” from Mr Read to prepare the contractual documentation, which included the proposed new salary of £168,000, immediately after Ms Harrington approved the arrangement by email. However, Mr Read had not set out any details of changes in Ms Williams’ remuneration package in that email, nor is there any reference to her pay in the whole email chain;
- (4) I have seen email correspondence between Mr Wood and Ms Harrington on 7 November 2022 which suggests that Ms Harrington did not have any awareness of the new remuneration package that had been agreed for Ms Williams;
- (5) I was informed that Ms Harrington was unhappy that RemCo lacked oversight regarding the restructure of Ms Williams’ pay, which resulted in changes being made to RemCo’s Terms of Reference, that I discuss below.

222. My finding therefore raises the question of whether RemCo ought to have been aware of the restructure of Ms Williams’ pay. RemCo’s Terms of Reference effective at the time⁵ stated, at §5, that RemCo’s responsibilities included approving the remuneration packages of individuals reporting to the CEO. Unlike with respect to the remuneration packages of EDs, the Terms of Reference were silent as to whether approval was required for any variation in the remuneration packages of direct reports to the CEO.

223. However, I find that RemCo expected, in practice, to be informed and approve any material changes in pay for direct reports to the CEO. For example, RemCo was asked in July 2021 to approve an increase in Mr Foat’s salary of £30,000 to reflect the increased responsibilities he had taken on in respect of the Inquiry. Mr Tidswell told me, and I

⁵ Effective from 4 June 2021.



accept, that RemCo would have expected to sign off the changes to Ms William's pay, given its magnitude.

224. I find that RemCo ought to have decided whether to approve the proposed changes to Ms Williams' remuneration package. The changes were material in that: (i) Ms Williams' FTE salary increased by 50% and indeed exceeded Mr Read's salary (albeit she was no longer eligible to participate in the STIP/LTIP); and (ii) the incorporation of the STIP/LTIP payments meant they were guaranteed, even though the schemes were discretionary. If Ms Williams had been dismissed for e.g. misconduct prior to the expiry of her contract, POL would not have been entitled to exercise its discretion not to award any payments under STIP/LTIP, as they would be contractually agreed. In short, it was poor practice to guarantee the making of those payments.
225. Accordingly, Mr Read should have informed RemCo of the proposed changes to Ms William's remuneration package, or Ms Williams should have reminded him of the need to do so. I do not consider it would have been appropriate for Ms Williams to directly approach RemCo seeking consent for changes to her own pay.
226. I note that the current Terms of Reference⁶ have changed. It is now made explicit, at §3, that RemCo's responsibilities include approving the remuneration package and terms and conditions of employment, including any variations thereof, for proposed ED and GE appointments, including any interim appointments to the GE (emphasis added). In my view, these changes appear to be quite specific to Ms Williams' situation; I was told by Ms Scarrabelotti, and accept, that they were made as a result of Ms Harrington's unhappiness with the lack of RemCo oversight regarding the changes to Ms Williams' remuneration package.
227. I do not, however, consider that the changes to Ms Williams' remuneration package should have been disclosed in order to obtain Treasury sign off, as Ms Davies suggests. Under the Senior Pay Guidance, approval from the Chief Secretary to the Treasury is only necessary in certain circumstances in respect of the pay of those subject to

⁶ Effective from 29 March 2023.



ministerial approval. Ms Williams' appointment was not subject to such approval and therefore the guidance did not apply.

Allegation 2.4

228. In her Speak Up Complaint, Ms Davies alleges that Ms Williams was granted 'good leaver' status, which meant she would receive payment for LTIPs over the coming year. She says she raised concerns with Mr Read that rewarding fixed-term employees was contrary to the purpose of the LTIPs. She also alleges Ms Harrington asked in around February or March 2023 for confirmation that Ms Williams would not receive any bonus payments after leaving, which Mr Read responded to without including Ms Davies, and led her to believe the response was inaccurate.

229. As explained above in respect of Allegation 2.3, at some point Ms Williams appears to have become eligible to participate in the 2021/24 LTIP (worth 25% for on-target performance); however, she was not eligible to participate in the 2022/25 LTIP when the changes were made to her contract in April 2022. I have already explained that Mr Read approved Mr Wood's suggestion that Ms Williams should be treated as a good leaver in respect of the 2021/24 LTIP. I understand that the LTIP will vest in August 2024, at which point Ms Williams will be paid, well after the expiry of her contract.

230. However, this is not contrary to the LTIP scheme rules that were in place at the time. I have reviewed the applicable rules⁷ and note that, under clause 8.1(b), an award may be paid out where a participant ceases to be a POL employee by reason of the expiry of a fixed-term contract of employment, in which case a pro rata reduction is made. The award pays out on the normal pay out date, i.e. the third anniversary of the award date, such other date as RemCo determines or the date when RemCo determines any conditions have been met.

231. I am told by Mr Rudkin, and accept, that the above scheme rules were extended until 31 March 2023. From 1 April 2023, changes were made to the rules which meant that

⁷ Adopted by RemCo in 2012 and amended on 1 May 2013 and 24 November 2020.



individuals that cease to be an employee by reason of the expiry of a fixed-term contract would no longer be regarded as a good leaver. I understand that the reason for the change was because it was no longer seen as appropriate to award long-term incentive payments for those working under fixed-term contracts. However, the change did not apply retrospectively to any earlier LTIP schemes. Therefore, it did not affect Ms Williams' eligibility to participate in the 2021/24 LTIP.

232. As for Ms Davies' contention that Ms Harrington said that Ms Williams should not receive any bonus payments after she left, it appears from email evidence that Ms Harrington was given an "*undertaking*" that Ms Williams was not eligible for any bonus from 2022 onwards, although I am unclear who provided such an undertaking. It is correct that Ms Williams was not eligible for any bonuses from 1 April 2022 onwards; however, Ms Williams' anticipated STIP and LTIP payments were incorporated into her base salary, of which Ms Harrington was not aware at the time those changes were introduced, as discussed in respect of Allegation 2.3 above.
233. In the circumstances, I find that Ms Williams was granted good leaver status in respect of the 2021/24 LTIP but that was not contrary to the scheme rules and therefore there was no requirement to disclose this to RemCo, whether by Mr Read or others. She was not eligible to, nor did she, participate in the 2022/25 LTIP.

Allegation 2.5

234. In her Speak Up Complaint, Ms Davies alleged that individuals in IT had 'flipped' from permanent employment to becoming a contractor and in doing so, moved from modest salaries to high daily contractor rates. She said that Ben Cooke, a senior IT manager, who was employed by POL for 7 years on an annual salary of around £120,000, entered into a settlement agreement at the end of January 2023 without her knowledge and was then brought back shortly afterwards as a contractor on a daily rate of around £1,500. She said that Mr Read was informed and supported the decision for Mr Cooke to become a contractor in November 2022.



235. At interview, Ms Davies said the practice was not compliant with a number of POL policies, including the Recruitment and On-boarding Policy, and the daily rates of contractors were being chosen by the IT department, rather than Morsons (the umbrella company through which POL engages contractors). Ms Davies also said she complained to Mr Read that the practice was “*out of control*” and there was no governance in respect of the recruitment of contractors.
236. Mr Cooke was employed by POL from 19 September 2016 until 31 January 2022. He was employed in the role of Branch and Digital Engineering Director prior to the termination of his employment. I understand he received an annual salary of approximately £135,000.
237. In around 2022, Mr Cooke indicated to Mr Mladenov that he considered his role had been made redundant as the purpose of the role had been changed, following the creation of the role of CDIO, which I discuss further in respect of Allegation 2.6. Mr Mladenov, who was keen to retain Mr Cooke’s expertise, offered an alternative role to him, which he declined. Mr Mladenov sought and obtained legal advice from the POL Legal team in respect of Mr Cooke’s possible exit from the business.
238. Ultimately, a settlement agreement was entered into and Mr Cooke’s employment terminated with effect from 31 January 2023. He returned as a Special Adviser to Mr Mladenov as a day rate contractor two days later on 2 February 2023. I am told by Mr Mladenov, and accept, that he negotiated the day rate of £1,500 with Mr Cooke. He said he was not aware of any limits on the rates, which he considered fair in light of Mr Cooke’s experience and industry benchmarking.
239. Mr Mladenov sent to the Contractor Resourcing team a ‘Contractor Request Form’ seeking permission for the hire of Mr Cooke as a Special Adviser. The Contractor Request Form was sent to Julie Pugh, Head of Talent Acquisition. She contacted Ms Davies to inform her of the circumstances of Mr Cooke’s departure and return as a contractor. She said that her colleagues were not aware of Mr Cooke’s return and had not approved the arrangement.



240. On the same day, Ms Davies sent Mr Read a Teams message, asking him if he was aware that Mr Cooke received a settlement agreement at the end of January and returned a day or so later as a day rate contractor, earning £1,500 per day. Mr Read said that Mr Mladenov had mentioned the arrangement the day before but *“he didn’t share numbers and i didnt digest/challenge the approach...how long is he contracting...why is he now contracting...is it a fixed term?”* Ms Davies said she would investigate and revert, although it is unclear if she did so.
241. On 17 April 2023, Mr Mladenov updated Mr Read, Ms Davies and Ms Marriott in respect of the arrangement with Mr Cooke. He explained that Mr Cooke was leaving the business in one month to take up a position elsewhere, so he considered the matter was closed. Mr Read replied, stating *“It was a complicated situation which needed concluding. I am pleased we have managed to engineer a sensible clean break. This seems the most pragmatic outcome.”*
242. In the circumstances, I find that Mr Cooke ceased his permanent employment as Branch and Digital Engineering Director with effect from 31 January 2023 and returned on 2 February 2023 as a day rate contractor in the role of Special Adviser to Mr Mladenov. The reason he did so was because his permanent employment with POL ceased as he considered he had been made redundant, but Mr Mladenov did not want to lose his considerable expertise so engaged him as a contractor on a short-term basis.
243. On the face of it, that appears to be a breach of the applicable version of the Recruitment & On-boarding Policy and Contractor Recruitment Policy, as he returned as a contractor after leaving by way of a settlement agreement, which was prohibited under the policies. There was, at the relevant time, an exception to this prohibition if it was approved, on an exceptional basis by a People Director.
244. In the course of investigating this Allegation, I received information and evidence that I understand is subject to legal professional and without prejudice privilege, which POL wishes to maintain. Accordingly, as explained in the ‘Methodology’ section above, I have



sought to avoid the inclusion of any privileged information in the main body of the report. The ISG is referred to the separate Annex which sets out additional findings of fact I have made that are based upon such privileged information.

245. On the basis of the findings of fact set out in the Annex, I find that the above arrangement with Mr Cooke was implicitly approved by Ms Williams and her team, but no formal or explicit authorisation of the arrangement was provided by a People Director or anyone else within the People team, in breach of the policies.

Allegation 2.6

246. In her Speak Up Complaint, Ms Davies alleged that four GE members (Mr Foat, Mr Mladenov, Mr Taylor and Mr Roberts) were recruited during Mr Read's tenure, all white men, without following an open recruitment process. She said Mr Foat and Mr Mladenov were "*cherry picked*" from the existing team because it was well known that Mr Read liked them; Mr Taylor and Mr Roberts were recruited externally but it was well known that Mr Read had worked with them previously.
247. When I asked Ms Davies to explain in what way she considered that the recruitment process for the above four individuals was not open, she said that the positions should have been advertised, but the failure to do so had given rise to the impression that these were "*jobs for the boys*". I pressed Ms Davies for further detail about this Allegation, but she refused to provide any more information to me.
248. In the absence of any proper detail from Ms Davies about this allegation, I asked POL to provide information or documents about any recruitment process undertaken, including any advertisements, in respect of the vacancies which were filled by Mr Foat (as General Counsel), Mr Mladenov (as CDIO), Mr Taylor (as Communications Director) and Mr Roberts (as CRO). The passage of time has meant that the individuals involved in arranging the recruitment processes, insofar as such processes existed, have since left POL. They do not appear to have saved copies of the documents centrally, so no information or documents or information could be found. Nor did any of the individuals



that I spoke to have any clear recollection of any recruitment process that may have been followed, except for in the case of Mr Mladenov, which I explain below.

249. I checked the minutes of NomCo and RemCo meetings in case they shed any light on the matter. The minutes of NomCo meetings confirmed the following appointments to the GE: (i) Mr Foat (at the meeting on 17 May 2019); (ii) Mr Taylor (at the meeting on 11 February 2020); and (iii) Mr Mladenov (at the meeting on 7 June 2022). No resolution could be found appointing Mr Roberts to the CRO role, although RemCo approved his remuneration package on 25 January 2022. In any event, the minutes of the meetings did not record any information about the recruitment process that may or may not have been adopted for the vacancies.
250. Mr Read recalled that the headhunters, Korn Ferry and Ridgeway Partners, were used in respect of the recruitment of Mr Roberts and Mr Taylor respectively. I passed that information onto POL, although still no information or documents could be found, other than a job specification that was prepared for the CRO role in October 2021 with Korn Ferry. That did not assist in shedding any light as to the nature of the recruitment process that had been followed, other than the fact headhunters were involved.
251. Ultimately, in the absence of any relevant information or documents, I am unable to reach any findings as to whether any vacancies were advertised for the roles filled by Mr Foat, Mr Roberts and Mr Taylor (although I can reach findings in respect of the role filled by Mr Mladenov, as set out below). However, in respect of Ms Davies' suggestion that Mr Read cherry-picked Mr Foat and/or had previously worked with the other two:
- (1) Mr Foat started in the role of General Counsel in May 2019 (having worked in the Legal Team at POL for several years beforehand). Mr Read did not join POL as CEO until September 2019. He was therefore not involved in Mr Foat's promotion to General Counsel;
 - (2) As for Mr Roberts and Mr Taylor, Mr Read said that he interviewed them, along with the CPO, someone from UKGI, two or three Board members and other



members of the GE. Whilst Mr Read's opinion of the candidates was undoubtedly highly influential, it is likely others fed into the decision as to which candidates were selected. Mr Read also said that he did not know Mr Roberts or Mr Taylor socially and had not worked with them before they joined POL. There is no evidence before me to suggest this is incorrect.

252. In respect of the recruitment of Mr Mladenov, I was told, and accept, that he had been working alongside POL as a McKinsey consultant, before becoming a contractor for POL in April 2021. As a contractor, he performed the role of Business and Technology Transformation Director, reporting to Jeff Smyth, Chief Information Officer ("CIO"). I understand Mr Mladenov played a central role in digital transformation and the Horizon replacement effort in particular.
253. In 2022, discussions took place about the creation of the role of CDIO. This combined elements of the two roles that Mr Smyth and Mr Mladenov carried out. It was proposed that Mr Mladenov took on the role of CDIO, becoming a permanent employee for POL. However, the business wanted to retain Mr Smyth, as he had extensive expertise with respect to Horizon, which was imperative for POL to retain during certain stages of the Inquiry. Mr Read and Ms Williams spoke to Mr Mladenov about the proposal, which he accepted. He started as CDIO (as a permanent employee) in July 2022. Mr Smyth stayed on in the business in a smaller role.
254. Mr Mladenov and Ms Williams both informed me that there was no advertisement or interview process in respect of the CDIO role, which I accept. On the face of it, that would appear to amount to a breach of the applicable version of the Recruitment & Onboarding Policy (version 15), which required all vacancies to be advertised internally for a minimum of one week, unless exceptionally approved by the People Director, and provided guidance as to the selection process. No doubt this was seen as a restructure by Ms Williams, such that she considered she did not need to have regard to the policy. However, that is not best practice: as the current version of the policy now makes explicit, the creation of a new role ought to be regarded as leading to a vacancy.



255. Due to the lack of available documentation, it is unclear if formal approval to waive the requirement to advertise the role was provided by a People Director. However, I recognise that the circumstances may have justified such approval on an exceptional basis: it is possible that few other candidates were as familiar with POL's technology operations and the Horizon replacement efforts as Mr Mladenov; and I recognise that transforming POL's technology operations was of critical importance and urgency, given the Horizon IT scandal.
256. In the circumstances, I can make no findings as to whether an open recruitment process was carried out in respect of Mr Foat (as General Counsel), Mr Roberts (as CRO) and Mr Taylor (as Communications Director). An open recruitment process was not followed in respect of Mr Mladenov (as CDIO), in the sense that the role was not advertised and he was not formally interviewed. There may have been good reasons for this and/or exceptional approval may have been granted in accordance with the applicable version of the Recruitment and On-boarding Policy, but I cannot make any findings to this effect.

Allegation 2.7

257. In her Speak Up Complaint, Ms Davies alleged that a Board member referred to women as "*pains in the arse*" in front of a third party. At interview, Ms Davies explained that she heard Mr Staunton make these remarks at a meeting on 25 January 2023 with Green Park, the headhunters, whilst a recruitment process for NEDs was underway.
258. She said that Green Park shared photos and a summary of the CVs of shortlisted candidates for the role of RemCo Chair, or possibly another position. Mr Staunton asked questions about the origin of one of the female candidates, saying "*she doesn't look coloured*". The attendees from Green Park indicated that she had ticked the "*ethnicity box*", to which Mr Staunton said, "*she doesn't look coloured, where does she come from?*"
259. Ms Davies also said that whilst they were considering the pack provided by Green Park, Mr Staunton referred to younger-looking female candidates as "*girls*" and older-looking



women as “*ladies*”, which made her feel uncomfortable. She said that when they were discussing a particular candidate, Mr Staunton asked, “*is she going to be a pain in the arse?*” Ms Davies said she was taken aback by his comment and asked what he meant. He said that he had worked with a female CEO at a different organisation who had refused to employ women because they were all pains in the arse.

260. Ms Davies said that she was called by Mr Richards after the meeting, who said that Mr Staunton’s remarks were unacceptable and asked her to have a word with him. Ms Davies says she raised the issue of Mr Staunton’s remarks with Mr Read and separately with Mr Staunton in a meeting where she told him that “*you can’t say things like that*” and tried to educate him.

261. Ms Davies later provided me with copies of contemporaneous notes she took of the incident in her personal notebook. The notes record remarks (in shorthand) made about a particular candidate, Ms A, during the meeting with Mr Richards and two others from Green Park in respect of the NED shortlist. They state:

“HS: Q’s colour – what?!

- ‘Girl’ (older [women] as ‘ladies’)

- ‘is she a pain in the arse’

- CEO [at different organisation] wouldn’t employ them as a ‘pain in the arse’

DR – pick up after this (Education)

NR/Ben F ‘onboarding/training for NEDs’”

262. I interviewed Mr Richards and Ms St John Perry, who attended the meeting along with their colleague, Simon Davies. They explained Mr Staunton and Ms Davies attended via video link. The purpose of the meeting was to consider shortlisted candidates for the independent NED role. Mr Richards agreed that a pack containing photos and a summary of the CVs of nine candidates had been provided to Mr Staunton and Ms Davies. The pack (which I have reviewed) included a photo and a summary of the CV of Ms A, a relatively young-looking woman with a South Asian name.



263. Neither Mr Richards nor Ms St John Perry took any notes of the meeting, other than to record the outcome as to selection. Neither could recall Mr Staunton making any remarks about whether a particular candidate would be a “*pain in the arse*” or providing an anecdote about the CEO at a different organisation that he had worked with and her approach to women. However, Ms St John Perry recalls Mr Staunton using the word “*coloured*”, although not the context of the remark, which she says she discussed with Mr Richards after the meeting. Mr Richards recalled Mr Staunton saying something along the lines of “*it would be really good to have a coloured NED on the Board*”, which he thought was “*clumsy language*”, although the “*intent*” was not there.
264. Mr Richards said he spoke to Ms Davies after the meeting: she apologised for Mr Staunton’s remarks; he said that she should speak to Mr Staunton about it; and she wondered whether unconscious bias training for the Board may be appropriate instead.
265. Mr Tidswell told me he had heard Mr Staunton refer to younger females as “*girls*” on occasions and several individuals, such as Mr Tidswell, Mr Foat and Mr Read, said that Mr Staunton used “*old-fashioned*” and/or “*inappropriate*” language. Mr Read said Ms Davies may have raised the possibility of equity, diversity and inclusion (“**EDI**”) training for NEDs with him, although he could not recall for certain and certainly had no recollection of having been informed of Mr Staunton’s remarks at the meeting on 25 January 2023. Mr Foat could not recall having a conversation with Ms Davies about the possibility of EDI training for NEDs, nor could he locate any evidence of such a conversation.
266. Mr Staunton denied making the remarks. He said that he was focused on increasing diversity within the Board, which was apparent from the appointment of Andrew Darfur and Amanda Burton. He accepted he may have said in respect of Ms A that she did “*not tick more than one box*”. He agreed that he often referred to women as “*ladies*” in the right context. He accepted that a female CEO he had worked with at a different organisation told him women were a “*pain in the arse*” and she did not want to employ them. When I asked him how Ms Davies had come to learn of this, he accepted he may



have shared it with her, but could not recall when. He speculated that he may have shared the story to demonstrate that diversity at POL was not as poor as it was at other workplaces; and he had not suggested that the CEO's remarks were correct. He denied that he later had a meeting with Ms Davies at which she told him his language was unacceptable.

267. Mr Staunton told me he did not receive any EDI training whilst appointed to the role of Chair at POL, although he had at previous organisations. When I asked what he had taken away from such training, he said he had learned that *"it is easy to slip up"*. That did not fill me with confidence that he had properly taken on board the importance of respectful and appropriate language. Further, during the interview, Mr Staunton demonstrated a lack of understanding as to the importance of inclusive words and actions in the occasionally insensitive language he used and gestures he made towards my colleague (an Indian woman) that was acting as note-taker.
268. A few days after I interviewed Mr Staunton, he was removed from his role as Chair by the Secretary of State for Business and Trade. Mr Tidswell informed me that one of the reasons that had been put before the Secretary of State was Mr Staunton's desire to disrupt this investigation and his inability to identify a conflict of interest in doing so. Mr Tidswell later indicated that he perceived a change in Mr Staunton's behaviour, which became more erratic once he informed him of the expanded Allegation. Mr Staunton denies this behaviour.
269. I was subsequently told by several individuals that Mr Staunton had applied improper pressure on Mr Foat, Ms McEwan and Ms Burton towards the end of 2023 to prevent the investigation from proceeding, purportedly on grounds that it was unfair on Mr Read, although some considered it was because he did not want me to reach any conclusions regarding this Allegation. These reports were consistent with my interview of one individual prior to Mr Staunton's removal, who appeared intimidated by him and apprehensive in giving me full answers about his behaviour.



270. During this time, I had been seeking to agree the notes of the interview with Mr Staunton. On 21 February 2024, Mr Staunton sent me written answers to the questions I had put to him at interview, rather than indicating if the notes were agreed or not. In those answers, he denied having: (i) referred to a candidate or women in general as “*pains in the arses*”; or (ii) queried the origin of Ms A or used the alleged remarks about her, but said he may have commented that she did “*not reflect an additional diversity aspect*”, which I took to mean that he did not perceive her to be an individual from a Black, Asian or minority ethnic (“**BAME**”) background. He said, as he did at interview, that he found misogyny and racism “*abhorrent*”.
271. A few days later, Mr Staunton attended the BTC hearing on 27 February 2024. When questioned about it, he characterised this Allegation as concerning “*politically incorrect comments*”. I also note that Mr Staunton appears to have briefed journalists that this Allegation consisted only of referring to a female colleague as a “*girl*”. In my judgement, Mr Staunton sought to downplay the Allegation significantly in the public arena.
272. Following his appearance at the hearing, Mr Staunton sent a letter to the Chair of the BTC dated 4 March 2024, that I referred to in the ‘Methodology’ section above, in which he now said of the meeting of 25 January 2023 that: (i) he had asked about the ethnic origin of a candidate; (ii) he had recounted an example of obstacles previously encountered in attempting to promote Board diversity at another organisation whereby a woman in senior management said she did not like appointing “*girls*” because they were “*pains in the arses*”; and (iii) it was clear to Ms Davies that he was not personally using offensive terms. He also claimed that when Ms Davies was interviewed, the “*investigators*” were “*clearly not interested in understanding the context of the remarks, which were quoting critically what was said by a third party on another occasion at another organisation*”; unsurprisingly, I disagree with this statement.
273. That was not the end of the matter. On 13 March 2024, Ms Davies revised her version of events concerning this Allegation. She said that Mr Staunton: (i) reiterated to her that in relation to “*girls*” and “*pains in the arse*” comments, these were statements of facts made by a CEO he worked with elsewhere, rather than anything he endorsed; and (ii) asked



her to point out any politically incorrect remarks he might make, as he did not want to inadvertently offend anyone.

274. It was not lost on me that Ms Davies' revised account now aligned with Mr Staunton's letter to the Chair of the BTC dated 4 March 2024, which was made publicly available on 5 March 2024. As I explained in the 'Methodology' section above, I was concerned that Mr Staunton and Ms Davies had been in communication with each other regarding the content of this investigation and sought to align their accounts for their own personal reasons.
275. On the following day, Mr Staunton provided me with a heavily revised version of the notes of our interview. These were not an accurate reflection of our interview. I raised this with Mr Staunton and explained that I would instead take them into consideration as post-interview additional representations. I received no further reply from him.
276. In the revised notes, Mr Staunton now said that: (i) he had asked about Ms A's ethnic origin because he had a clear preference for "*ethnic diversity*"; (ii) Green Park had rung Ms Davies to say his comments could have been "*misinterpreted*"; and (iii) he had apologised if Ms Davies had taken offence, but she said no offence was taken. Mr Staunton said that whilst he suggested to the BTC the comments could be construed as "*politically incorrect*", he now considered he was "*not even making a politically incorrect statement*".
277. I find that, during the meeting with Green Park on 25 January 2023 to discuss candidates for the independent NED role, Mr Staunton: (i) said words to the effect of "*she doesn't look coloured, where does she come from?*" in respect of Ms A; (ii) called younger female candidates "*girls*" and older female candidates "*ladies*"; and (iii) questioned whether a particular candidate for the independent NED position would be a "*pain in the arse*", and when asked about this remark, stated that a CEO that he had worked with at another organisation did not want to employ women because they were "*pains in the arse*". I reach this finding for a number of reasons, including the following:



- (1) I attached considerable weight to Ms Davies' contemporaneous notes in her personal notebook, which support the above findings. Ms Davies and Mr Staunton had a good relationship, working closely together at the time of the meeting in respect of their attempts to increase Mr Read's remuneration package, as I describe in respect of Allegation 2.10. In my judgement, there was no reason for her to misdescribe or portray the incident inaccurately in her notes. I found her account at interview compelling, where I had the impression that she was almost reluctant to share this information about Mr Staunton with me;
- (2) Mr Richards and Ms St John Perry both recall Mr Staunton having used the word "coloured" in respect of Ms A, by which they were taken aback. Whilst Mr Richards suggested that Mr Staunton said something along the lines of "*it would be really good to have a coloured NED on the Board*", I am not persuaded these were the words used by Mr Staunton, given: (i) Mr Staunton later said he did ask about the ethnic origin of Ms A; (ii) the lack of notes taken by Green Park recording the content of the meeting; and (iii) Mr Richards may have unconsciously sought to downplay Mr Staunton's remarks to preserve Green Park's reputation and relationship with POL (bearing in mind that Mr Staunton was still in post at the time I spoke to Mr Richards);
- (3) I consider it is likely that Mr Richards and Ms St John Perry did not hear all of the discussion between Ms Davies and Mr Staunton, including his use of the word "girls" or questioning whether a candidate would be a "*pain in the arse*". That explains why they have no recollection of these remarks, given there seems to be no dispute by Mr Staunton that he shared with Ms Davies his anecdote about the approach of the CEO he had worked with at a different organisation to employing women and her notes record such a discussion;
- (4) Mr Tidswell said he had heard Mr Staunton describe younger females as "girls" on other occasions and Mr Staunton accepted freely that he often referred to women as "ladies". His language was described to me generally as "*old-fashioned*" and/or "*inappropriate*" by Mr Tidswell, Mr Foat and Mr Read;



- (5) Mr Staunton’s accounts changed and were unreliable. For example:
- (a) Initially, he indicated he might have said that Ms A did not “*tick more than one box*” (i.e. he did not perceive her to be a BAME individual), but later said he did ask about her ethnic origin;
 - (b) At interview, he speculated that he may have shared the story about the CEO he worked with elsewhere with Ms Davies and if he did so, he could not recall when. He later said he did recount this story to her and implied that it was this CEO that referred to young women as “*girls*”;
 - (c) He also initially denied that any conversation took place between Ms Davies and himself following the meeting on 25 January 2023, but much later said he apologised to Ms Davies in case she had taken offence;
- (6) In any event, as I explain in the ‘Methodology’ section above, the breaches of confidentiality by Mr Staunton and Ms Davies, which appear to have resulted in the alignment of their accounts for personal reasons, means that I am sceptical of those accounts provided by both of them following Mr Staunton’s removal. That includes Ms Davies’ revised account that Mr Staunton had not endorsed the remarks made by the CEO, even though her contemporaneous notes record him as posing the question, “*is she a pain in the arse*”;
- (7) Mr Staunton does not appear to have undertaken any recent EDI training whilst at POL (albeit I do not understand such training to be offered to members of the Board);
- (8) I draw an adverse inference from the fact that Mr Staunton appears to have taken steps to prevent this investigation from proceeding following the expansion of this Allegation and/or sought to downplay the nature of the Allegation in public. However, I have not raised these concerns with Mr Staunton directly and therefore, erring on the side of caution, I do not attach significant weight to the inference.

278. I find that Mr Staunton’s remarks were discriminatory on grounds of race and sex, and therefore not in accordance with the Dignity at Work Policy. The remarks go well beyond



his initial characterisation of them as potentially “*politically incorrect*” statements. In particular:

- (1) As to the remarks relating to the origin of Ms A, the use of the word “*coloured*” is offensive, outdated and should be avoided. I also note that the current version of the Recruitment & On-boarding Policy says that interviewers should “*avoid asking questions which could be deemed discriminatory... e.g. ‘where are you from?’*” I consider it is unlikely Mr Staunton would have questioned the origin of a candidate with a British sounding name. Whilst his desire to increase diversity at Board level was no doubt genuine and to be welcomed, his approach fell far short of acceptable standards;
- (2) As to describing younger-looking women as “*girls*” and older-looking women as “*ladies*”, I consider it is unlikely Mr Staunton would have referred to male candidates as “*boys*” or “*gentlemen*”. I recognise that the use of “*girls*” and/or “*ladies*” as labels is not an uncommon occurrence in the workplace, but it can be viewed by many as infantilising or patronising. I find, however, that Mr Staunton intended no offence by using such terms;
- (3) As to the remarks made questioning whether a female candidate would be a “*pain in the arse*”, I do not consider Mr Staunton would have posed such a question in respect of a male candidate. I accept that Mr Staunton may have made this remark and shared the story in respect of the CEO he worked with elsewhere in an attempt at humour. Nevertheless, the Dignity at Work policy is clear that discriminatory jokes or banter still amount to unacceptable behaviour.

Allegation 2.8

279. In her Speak Up Complaint, Ms Davies alleged that:

- (1) Mr Read informed her in March 2023 that a senior commercial director had been extremely drunk the previous night, in front of customers, and was challenging and



embarrassing him, such that Mr Read had to leave the event early. Mr Read told her that the customer had emailed at 1am, complaining about the director's unprofessional conduct;

- (2) Mr Read said he would handle the matter informally through the director's line manager. When she suggested that the matter was investigated, Mr Read shut her down. She felt she was compromised by being asked to turn a blind eye to such misconduct;
- (3) She asked a colleague if there was any reason Mr Read would want to protect the director and was informed they are close friends and have summer houses close to each other in Cornwall.

280. At interview, Ms Davies clarified that the director in question was Ed Dutton, Product Portfolio Director. She said that she considered Mr Dutton's behaviour was contrary to the Conduct Code; and if a postmaster had dealt with customers whilst drunk, they would have been sacked. She theorised that Mr Read did not want to investigate Mr Dutton's behaviour because Mr Dutton was "*outspoken*" and not "*completely behind Nick*", such that if there had been an investigation, Mr Dutton would have raised matters that Mr Read would prefer to avoid.
281. Fenchurch Advisory Partners ("**Fenchurch**") had advised POL on the restructuring of a deal that had been struck with a bank in 2019. The bank wished to re-open negotiations on the deal, so POL asked Fenchurch for advice. A dinner was arranged at Corrigan's in Mayfair on 1 March 2023. Mr Dutton, Mr Woodley and Mr Read attended on behalf of POL; Will Nourse and Tom Murphy attended from Fenchurch.
282. Mr Woodley recorded a contemporaneous note of the dinner shortly after the event, the contents of which I accept. He recorded that the dinner was lengthy and attendees were drinking wine, which was not unusual for such occasions. It appeared that Mr Dutton was more affected by alcohol than others. The discussions were challenging and strong views were expressed by all. Mr Dutton became belligerent and more animated than



others in the debate. He had a particular perspective on the approach that POL should adopt with respect to the deal and was not keen on alternative options.

283. Mr Read and Mr Woodley left the dinner at the same time, at around 10-10.30pm. Mr Read commented to Mr Woodley that Mr Dutton's approach to the discussion had not been handled well and was possibly exacerbated by having drunk too much wine. Mr Woodley agreed and said he would follow up with Mr Dutton as his line manager. Mr Woodley's view was that formal action was not required, but an informal conversation was appropriate.
284. Following the dinner, Mr Nourse (from Fenchurch) emailed Mr Read at 00:40 to thank him for attending the dinner. Mr Nourse noted he had exchanged messages with Mr Woodley; they were clear on next steps, although Mr Nourse commented that he had "*found it all a bit challenging at the table*". Mr Read told me that he understood that was a reference to Mr Dutton's behaviour at the dinner. Mr Read replied, saying he had enjoyed the evening, albeit they "*got a little bogged down towards the end...*" He told me that there had been a lack of progress at the dinner, which had been caused in part by Mr Dutton's belligerence.
285. On 2 March 2023, Mr Dutton approached Mr Woodley (before he had an opportunity to speak to Mr Dutton about the dinner) to say he was worried that he had overstepped the mark the night before and apologised if he had caused any offence to Mr Read, Mr Woodley and the Fenchurch advisers. Mr Dutton told Mr Woodley that he was very tired when he went to the dinner which may account for why the wine affected him. Mr Woodley said he did not think Mr Dutton had handled the situation well, but no follow up or formal action was required.
286. Mr Woodley also spoke to Mr Nourse about the dinner later in the day. Mr Nourse said he thought Mr Dutton had been too fixed in his position, but had no other concerns about his behaviour. That was the end of the matter from Mr Woodley's perspective, although it is likely that Mr Woodley updated Mr Read on these discussions.



287. At some point on around 2 March 2023, Mr Read updated Ms Davies on the dinner. He is likely to have informed her of Mr Nourse's email to him, given that she was aware that an email was sent to Mr Read close to 1am after the dinner. It is likely Mr Read also informed Ms Davies of Mr Woodley's conversation with Mr Dutton earlier that day. Mr Read told me, and I accept, that he was not informing her of any need to take action in respect of Mr Dutton.
288. On 3 March 2023, Ms Davies sent Mr Read a Teams message in respect of Mr Dutton. She said, *"I know that Owen has 'dealt' with it informally, but this sort of behaviour from a senior leader would have been reported to me to handle (and would have been investigated formally as it is a serious conduct issues and one which damages the reputation of POL). It worries me (culturally) that we have not dealt with this openly, that there is a breach of the Code of Conduct, he has embarrassed the CEO. Owen is clearly too close to Ed, as he should have raised this with me (or his HR partner). Are you comfortable that I pick up and address the matter formally with Owen?"*
289. In reply, Mr Read said, *"No, i dont think it needs that response. This was just disappointing and belligerent behaviour...it was more an insight into this behaviour and judgement for me, than a formal disciplinary issue – it wasnt that."* Ms Davies said in response, *"OK. It is highly unusual (and not great for a senior leader). But let's park it. Thanks."* That was the end of the discussion on this matter.
290. Accordingly, I find that Mr Read informed Ms Davies that Mr Dutton's behaviour did not need to be formally dealt with. Mr Read did not consider that Mr Dutton's behaviour at the dinner was a disciplinary issue because the incident had not occurred at the workplace and Mr Dutton was not necessarily drunk, as such. In my judgement, it was reasonable for: (i) Mr Woodley to speak to Mr Dutton informally about his behaviour, rather than asking for HR advice to consider if a disciplinary process should be initiated; and (ii) Mr Read to suggest that matters should not go any further. I reach this conclusion for the following reasons:



- (1) Mr Dutton's behaviour took place during a challenging discussion with POL's financial advisers. A robust exchange of views was not unusual in that context;
- (2) I recognise that POL's Conduct Code expects employees to maintain a high standard of personal conduct including sobriety. However, the discussion took place at an after-work dinner at which wine was available; it is to be expected that the attendees may drink wine and therefore would not have been sober. Evidently it remained incumbent upon Mr Dutton not to drink to excess, to stop drinking if it was affecting him adversely, and to behave professionally at all times. In light of the evidence of Mr Woodley and Mr Read, which I accept, I do not consider that Mr Dutton's behaviour crossed the line in this manner;
- (3) Even if Mr Dutton's behaviour at the dinner did go too far, the Conduct Code specifies that the vast majority of conduct issues should be managed informally and not require formal disciplinary action. In my judgement, it would not have been justifiable to treat Mr Dutton's behaviour as potentially serious or gross misconduct; I consider such a response would have been heavy-handed. Accordingly, an informal response was reasonable. Mr Woodley sought to provide informal guidance to Mr Dutton, as the Conduct Code suggests may be appropriate. I note as well that Mr Dutton apologised for his behaviour immediately in the morning and without any prompting.

291. There is no evidence before me that Mr Read adopted a more lenient approach in respect of Mr Dutton because they are friends. Mr Read said that their paths crossed only occasionally. He confirmed that Mr Dutton had a house in the same village as he did, but in the three years he had known him, he had never been to Mr Dutton's house and Mr Dutton had visited his house once for a drinks party. There is no evidence before me to suggest this is incorrect. Nor have I seen any evidence to suggest that Mr Read was concerned that Mr Dutton would have raised awkward issues if an investigation had been initiated (which appears to contradict the suggestion that they are friends). I note that Ms Davies' suggestion in this regard was speculative in any event.



292. In the circumstances, I find that Mr Read informed Ms Davies not to investigate Mr Dutton's behaviour at the dinner on 1 March 2023, because it was not considered to be so serious as to justify a disciplinary investigation, which was a reasonable response.

Allegation 2.9

293. In her Speak Up Complaint, Ms Davies alleged that the Board did not listen to the allegations that she raised with Mr Staunton in May 2023, which were based on many recorded complaints she raised with Mr Read since she joined POL. At interview, Ms Davies said that: Mr Staunton "*closed down*" on her, by suggesting that she needed to look after Mr Read; and she felt as if Mr Staunton viewed her as a "*pain in the arse*" for raising the allegations (given the comments she says he made regarding Allegation 2.7).

294. Shortly after Ms Davies [REDACTED] **GRO** on 24 May 2023, she emailed a letter to Mr Staunton. In the letter, Ms Davies said she would be grateful if they could have an "*off record*" discussion about the poor leadership culture at POL, which she felt needed to be brought to Mr Staunton's attention. In particular, Ms Davies said she had raised concerns over the last six months but felt nothing had been changed or resolved. She said she believed many of the issues she raised with Mr Read would constitute protected disclosures and she considered she was now being treated less favourably, including in respect of the investigation that was being carried out in respect of her behaviour. She then copied and pasted a letter that her solicitors, Mills & Reeve LLP, had sent to Mr Read and Mr Foat, setting out her concerns regarding the ongoing investigation.

295. Mr Staunton took some time to open the letter as he had difficulties unlocking it, as it was password protected. He indicated that Ms Davies later texted him the password. He said, and I accept, that when he read the letter, he did not understand Ms Davies to be raising any Speak Up concerns as such; he read the letter in "*businessman terms*", as he put it. He did not consider any of the matters that she raised disclosed any new information, which were being discussed regularly at Board level. Mr Staunton said he wanted to speak to Ms Davies to facilitate her return to work and to tell her that matters were not "*past the point of no return*". He did not send the letter to the rest of the Board.



296. Ms Davies said that Mr Staunton asked her if she wanted to talk to discuss the concerns she had raised; she did not speak to any other Board members about the letter, given her absence, and left the letter with Mr Staunton to consider and address. In contrast, Mr Staunton believes he attempted to call Ms Davies to facilitate her return to work, but they did not speak, as Ms Davies was [REDACTED] **GRO** [REDACTED] by this stage. Neither provided any evidence of such conversations, or attempts at conversations. Rather, it appears that Mr Staunton acknowledged Ms Davies' letter by email on 7 June 2023, to which Ms Davies responded on the following day, stating "*thanks, let's speak once this investigation is sorted/over with*". The matter was not raised or discussed again.
297. Ultimately, Mr Staunton did not provide a substantive response to Ms Davies' letter; the rest of the Board did not receive a copy of the letter, so were not aware of it at the time. I accept Mr Staunton's account that he did want to speak to Ms Davies to try to encourage her back to work; however, a substantive discussion did not take place because she was [REDACTED] **GRO** [REDACTED] Ms Davies did not make any further enquiries with Mr Staunton or the Board in respect of the letter. I have no doubt she was capable of making further enquiries, had she wished to do so.
298. I have considered whether Mr Staunton should have intervened further in respect of Ms Davies' letter, i.e. by treating it as a Speak Up report or raising the letter with the Speak Up team. However, Ms Davies, who was familiar with the Speak Up Policy as CPO, did not mark the letter as a Speak Up report or request that the issues she was raising should be investigated under the policy. Rather, she sought an "*off record*" discussion concerning her letter, which suggests this was an informal approach, and indicated the matter could wait until the investigation into her behaviour was complete. As such, Ms Davies' concerns did not need to be formally investigated at this stage. An informal response from Mr Staunton was reasonable, albeit such a conversation did not take place as Ms Davies was absent from work.
299. In the circumstances, I do not find that Mr Staunton failed to intervene or address the allegations raised by Ms Davies, because there was no need for him to do so.

**Allegation 2.10**

300. In her Speak Up Complaint, Ms Davies complains that Mr Read changed his behaviour towards her in January 2023 as he was “*very angry and disappointed*” that she had not delivered in securing an increased remuneration package for him. She said she felt bullied by his messages and behaviour concerning his dissatisfaction with his current package, which were delivered by Teams messages, mainly on a Friday evening, ruining her weekends. At interview, Ms Davies complained of messages that Mr Read had sent her on 13 and 20 January in particular, which I discuss below.
301. In order to investigate this complaint properly, I sought to understand Mr Read’s approach towards his remuneration package, since he joined POL. I have set out the details of his remuneration package in respect of Allegation 2.1 above. I am told, and accept, that Mr Read’s base salary of £415,000 incorporated a sum to reflect pension contributions and benefits. Mr Read indicated that a higher salary had been offered during the interview process, but that was not approved by Treasury, resulting in things not getting off to a “*great start*”.
302. In May 2021, Tim Parker, former Chair, approached the ministerial team at BEIS seeking a one-off retention payment and to increase the value of Mr Read’s 2021/24 LTIP. In September 2021, Mr Parker contacted the Secretary of State for BEIS regarding the proposal again, stating there was a “*pressing and immediate retention risk*” as to Mr Read. He contacted the Secretary of State again in December 2021, stating that the matter had now “*escalated*” and that immediate action was required to mitigate the risk that would ensue if Mr Read resigned. Mr Parker explained that Mr Read felt that his “*goodwill is being abused*” and set out the risks if he left POL.
303. I understand these are the three attempts to increase Mr Read’s salary that Ms Arasaratnam referred to in her briefing note to Ms Harrington on 23 September 2022, as discussed in the context of Allegation 2.1.



304. The Secretary of State responded in January 2022, rejecting the proposals on the basis that Mr Read had “*accrued a significant level of incentive payments*” and his existing remuneration packages was “*amongst the highest in the public sector*”, which was subject to a sector-wide pay freeze. The matter could be reconsidered following the Inquiry.
305. Mr Read’s dissatisfaction with his pay remained an issue in 2022. As I have already found in respect of Allegation 2.1 above: (i) Ms Williams appears to have put forward in July 2022 the bonus multiplier approach in respect of the 2021/22 STIP to motivate Mr Read and encourage him to stay at POL, at least in part; (ii) Mr Read reacted peevishly to Ms Williams when he discovered in his August 2022 payslip that he had not received his 2019/22 LTIP payment; and (iii) Ms Williams noted there was a “*serious risk*” of losing Mr Read due to the lack of recognition he felt when the failure to obtain prior Shareholder approval came to light in September 2022.
306. Towards the end of 2022, RemCo re-considered the matter of Mr Read’s remuneration package. That culminated in a letter being drafted by Ms Williams, on behalf of Mr Staunton, as incoming Chair, to the Secretary of State for BEIS. Mr Read provided his input on 20 October 2022, noting to Ms Williams, via Teams message, that he had “*explained to Ben and Henry, unthreateningly, that i would leave before xmas if this is not addressed. If, as I keep being told, everyone on the Board is aware and concerned it beggars belief that we still find ourselves in this position.*”
307. In Mr Staunton’s letter to the Secretary of State, sent on 11 November 2022 (before his appointment formally started), he proposed increasing the: (i) base salary to £535,800; (ii) STIP to 50% at target and 90% at maximum; and (iii) LTIP to 60% at target and 100% at maximum. Mr Staunton said this would “*mitigate against the risk of Nick leaving the Post Office in the coming months*” in circumstances where the retention risks were “*even more present*”, such that immediate action was required.
308. Ms Davies and Ms Williams had a handover in which Ms Davies was updated about the above correspondence. Ms Williams suggested to Ms Davies that Mr Read would leave POL unless his pay was increased.



309. Mr Staunton asked Ms Davies for a summary of Mr Read’s remuneration package so he was briefed on the background ahead of a discussion with the Secretary of State. On 16 December 2022, she prepared a paper that outlined the risks of Mr Read’s departure, which she sent to Mr Read. In reply, Mr Read said that the Secretary of State needed to understand that this was “**NOT** *business as usual*” and that the current bonus situation was “*intolerable*”. The lack of reward, incentive or retention scheme felt “*reckless*”. Ms Davies said she would add his points to the paper, which she felt were “*spot on*”. Ms Davies subsequently shared the paper with Mr Staunton.
310. A meeting took place between Mr Staunton and Grant Shapps on 10 January 2023. I have not seen any readout or minutes of the meeting, which I requested from DBT. I understand, however, that the Secretary of State declined to approve any increase to Mr Read’s remuneration package or retrospectively approve the 2021/22 STIP that had already been paid.
311. The following day, Ms Davies worked with Mr Cooper and Ms Arasaratnam at UKGI to put together a secondary proposal, which consisted of a two-year retention payment and a percentage increase to Mr Read’s base salary in line with the average pay increase across POL. Ms Davies shared this secondary proposal with Mr Read via Teams message on Friday 13 January 2023, setting out what had been discussed with Mr Cooper.
312. In respect of the secondary proposal, Mr Read said that his “*immediate reaction is that the gulf between the original proposal... and the new suggestion... is huge.*” He said that, “*implying that getting bonus approval for last year and then paying me 5% after 3.5 years of no pay review is hardly a move forward, in fact I find it insulting.*” Further, “*the business needs me for the immediate year... if this is not possible, then you, me and Henry need to sit down on Monday 23rd, face to face, ahead of the Board on the 24th for a formal conversation. I can then advise the Board on the 24th of my intentions.*”
313. I asked Mr Read if the subtext of his message was that he was threatening to leave POL unless the proposal or his remuneration package improved. He said he was considering



raising a grievance at this stage, rather than thinking of his departure. Regardless of Mr Read's intentions, I consider that Ms Davies is likely to have interpreted this message as a threat to resign, in light of her handover with Ms Williams and the earlier communications that had been sent to the Secretary of State, of which she was aware.

314. Ms Davies said that she understood Mr Read's stance and had made the "*VERY clear point to both Henry & Tom that you need to be retained and are currently not happy*". Ms Davies said she hoped that they could "*get things sorted... as a priority*". Mr Read replied, stating that "*I think this is the point....i should be the priority (not an afterthought). My primary issue is one of trust and confidence in Remco and the shareholder. They have been consistently disingenuous. As Tim Parker always says; they have abused my good will for too long...*"
315. On 16 January 2023, Ms Davies informed Mr Cooper that Mr Read felt "*incredibly despondent and let down... if we cannot achieve anything substantial on his retention or package, he will be seeking to have a conversation about his future with Henry, before the next board meeting in January.*" It appears that Mr Cooper indicated that retrospective approval for the 2021/22 STIP was now likely to be granted. Ms Davies also updated Mr Staunton, noting that POL was running a "*very high risk of Nick resigning sooner rather than later*".
316. Ms Davies shared both messages that she had sent to Mr Cooper and Mr Staunton with Mr Read via Teams. They exchanged messages (politely and respectfully) on other matters. On Friday 20 January 2023, Mr Read commented on Ms Davies' exchanges with Mr Cooper and Mr Staunton, stating that, "*A reluctant support for a 50% STIP/LTIP for next year is insulting/risible, particularly given what was being recommended pre Christmas. I feel played. Please will you arrange for a formal meeting with Henry on Monday.*"
317. In reply, Ms Davies said, "*I completely understand. There is huge support for you, but no-one has been able to turn this into something tangible in relation to your package. I'm 6 weeks in and also v. frustrated by it all!*" Mr Read said in response, "*thank you,*



Jane. My good will continues to be abused. I am being played for a fool and It really isn't good enough. I know it is not a problem of your making. You have unfortunately inherited it. Ultimately though i am being challenged to take on POL which in itself is inappropriate and unbecoming of Remco." Ms Davies replied to say she thought it was unfortunate that Mr Read had not been given the backing and hoped Mr Read's position would concentrate the minds of the Board and Shareholder.

318. On Saturday 21 January 2023, Ms Davies shared with Mr Read a message she received from Mr Staunton. He said that he did not think Mr Read was being "played" but that he felt, quite rightly, that he was not sufficiently valued and the NEDs were not fighting his corner. He indicated that he had a "full discussion" with Mr Read a few days earlier in his office. Ms Davies told Mr Read that Mr Staunton was "very supportive", as she was, and suggested a phone call between the CEO and Chair on Saturday or Sunday evening.
319. On the Sunday afternoon, Mr Read replied, stating, "*This situation has now moved beyond a Sunday evening chat. My patience has expired. There has been no progress since we discussed the matter over Teams on 13/01. You have now forced me to seek advice, which I have done this weekend. I think you and Henry have some urgent thinking to do or, to quote Henry, 'we will end up in a real self made mess'.*" Ms Davies asked Mr Read if she could forward this message to Mr Staunton and have a discussion on Monday about his message. He agreed and Ms Davies duly forwarded the message.
320. Again, Mr Read suggested to me that he felt aggrieved at this stage, but was not threatening to resign. Given the conversation that followed the next day, I do not consider that answer reflected his feelings at the time. Ms Davies is likely to have interpreted this message as such a threat. In emails exchanged with Mr Staunton, Ms Davies said that her instinct was that Mr Read wanted to agree terms of a departure and the timing, but would not want to leave immediately. Mr Staunton said that Mr Read had "moved on very much" from his conversation with him earlier in the week. Ms Davies said in reply that Mr Read was "*quite clear that he's had enough; he's done waiting and doesn't feel he's had the support nor that it's going to change soon enough (neither do we).*"



321. On Monday 23 January 2023, Ms Davies attended a call with Mr Read and Mr Staunton. Her contemporaneous notes of the conversation, recorded in her personal notebooks, indicate Mr Read said he was prepared to cause *“drama”* and *“submit a formal grievance and/or make a claim for constructive dismissal. I have gained advice on my legal position and PR advice on how I intend to handle this. There has been a casualness and a dismissiveness to managing me and my expectations... The irritation is profound.”* During this conversation, he also appears to have proposed a 10% pay rise, coupled with an increase to his STIP to 50%, and a retention payment.
322. On 24 January 2023, Ms Davies and Mr Staunton had a meeting with RemCo to discuss Mr Read’s remuneration package. Ms Davies and Mr Staunton subsequently met David Bickerton, Director General, and Charles Donald, Chief Executive at UKGI, to discuss the revised proposal the following day. They agreed a 5% increase to Mr Read’s salary and retrospective approval to the 2021/22 STIP.
323. Mr Read then arranged a meeting with Mr Bickerton and Mr Donald to discuss the proposal. Ms Davies said to Mr Read that she did not understand the government’s approach, which she found *“frankly bonkers”*, and suggested that he *“vent his spleen”* at the forthcoming meeting. I understand that the meeting with Mr Read, Mr Bickerton and Mr Donald took place on around 30 January 2023. Mr Read told me that he thought Ms Davies’ *“tenacity”* in dealing with the government was starting to undermine him, so he suggested to her that she should desist, which she found *“quite difficult to hear”*.
324. Subsequently, a debate took place as to whether the 5% pay increase to Mr Read’s pay would take effect from 1 April 2023 or be backdated to 1 April 2022; there appeared to be a miscommunication between POL and BEIS in this respect. Ultimately, Kevin Hollinrake MP confirmed, by letter dated 21 April 2023, that the 5% increase to Mr Read’s salary would be backdated to 1 April 2022, in line with the backdating agreed with trade unions which applied to the wider workforce at POL.
325. I spoke to Mr Staunton about the above events. He said that:



- (1) He had never seen a CEO under “*so much pressure*” and he allowed Mr Read to “*blow off steam*” regularly about his pay and other matters;
- (2) Ms Davies wanted to achieve something with Mr Read’s remuneration package which Ms Williams had failed to do, but she “*went in like a bull in a china shop*”;
- (3) Whilst Ms Davies was a “*very robust individual*”, he never saw anything from Mr Read that was “*negative or bullying*” towards her, or any pressure on her. He did not consider Mr Read thought Ms Davies was at fault for not securing an increased package. Mr Staunton and Ms Davies also spoke about Mr Read’s remuneration package extensively and at no stage did Ms Davies raise any suggestion that she felt bullied by Mr Read.

326. I should add that Mr Staunton subsequently sought to row back from some of the above comments, following his removal as Chair. In his revised notes of the interview, which he sent to me on 14 March 2024, Mr Staunton stated that Mr Read became aggressive towards Ms Davies later on in her employment, although did not provide any details. For the reasons I have already explained in the ‘Methodology’ section, I give little, if any, weight to the revised accounts provided by Mr Staunton since his removal.

327. I have considered the content and tone of Mr Read’s messages that he sent to Ms Davies in respect of his remuneration package in January 2023. From Ms Davies’ perspective, I appreciate that she must have felt under pressure to improve his pay, given (i) the intense focus this issue received within the first two of months of her employment and (ii) Mr Read’s increasingly strong suggestions that he would leave POL or take action if matters did not improve, which escalated in January 2023. That said, some of that pressure may well have been self-imposed in Ms Davies’ desire to succeed where her predecessor, Ms Williams, had seemingly failed.

328. Mr Read’s messages were, at times, demanding, impatient and irritable, which he may wish to reflect upon. However, I do not consider that his messages were of an offensive, aggressive or humiliating nature. They are not of that severity. Emotions clearly ran high



in respect of this issue, given the multiple previous failed requests to increase his remuneration package and the outstanding issue in respect of the 2021/22 STIP following the failure to obtain Shareholder approval. It is natural that Mr Read would speak to his CPO about his dissatisfaction with pay and unsurprising that he shared some of that emotion with her. There were also plenty of occasions when, during this period of time, Mr Read acknowledged Ms Davies for her work in seeking a better remuneration package, and they spoke about other matters politely and respectfully.

329. Furthermore, Mr Read explained to Ms Davies that his dissatisfaction with pay pre-dated her time at POL and he did not blame her for the situation. There was no ‘finger-pointing’ at Ms Davies. Mr Read spoke to others, including Mr Staunton, about his dissatisfaction with his pay in similar terms.
330. Overall, Ms Davies appears to have been supportive of Mr Read in attempting to secure an improved package. There is no sense in the messages sent at the time that she considered it to be a “*ridiculous quest*”, as she put in her Speak Up Complaint. I consider that, as CPO, Ms Davies was capable of pushing back against Mr Read and/or raising concerns with Mr Staunton about any behaviour by Mr Read if she considered it crossed the line, but that did not occur. She did not make any record of her concerns about Mr Read’s behaviour until she made a note to herself on 4 April 2023 (although she still did not describe it as bullying), nor did it feature in her letter to Mr Staunton dated 24 May 2023.
331. In the circumstances, I do not find that Mr Read bullied Ms Davies in respect of the message he sent her concerning his dissatisfaction with his pay in January 2023.

Allegation 2.11

332. In her Speak Up Complaint, Ms Davies alleged that the failed attempts to secure a better remuneration package for Mr Read resulted in him turning against her, by refusing to acknowledge her work or contribution on critical leadership, governance and strategy issues. When I asked at interview for examples of the occasions on which Ms Davies



said she felt ignored or unacknowledged, she said there were twelve emails she sent to Mr Read, which he did not acknowledge.

333. Following my interview of Ms Davies, she later clarified in writing the emails that she said Mr Read ignored. She provided an overview of the emails, although did not provide the emails themselves. My understanding is that Ms Davies was referring to the following emails she sent to Mr Read:

- (1) An email on 28 December 2022 concerning GE Talent and Succession Planning;
- (2) An email on 13 January 2023 concerning Leadership Behaviours;
- (3) An email on 23 February 2023 concerning Mr Cameron and Mr Mladenov;
- (4) An email on 10 March 2023 providing an end of the week People update;
- (5) An email on 16 March 2023 requesting assistance in respect of the annual POL People conference;
- (6) An email on 20 March 2023 in respect of confidentiality undertakings in respect of the Inquiry;
- (7) An email on 20 March 2023 regarding the GE leadership culture engagement session;
- (8) An email on 27 March 2023 concerning the culture strategy;
- (9) An email on 27 March 2023 containing SLG reflections;
- (10) An email on 28 March 2023 concerning the recruitment of permanent employees;
- (11) An email on 27 April 2023 concerning the People strategy;



(12) An email on 27 April 2023 provided a People update.

334. I enquired with Mr Read whether he ignored any of the above emails. He could not recall all of the emails, which was understandable given the passage of time and the demands of his role. He told me, and I accept, that:

- (1) In respect of emails (1), (3) and (9), he provided a response to Ms Davies (which I have reviewed and is correct);
- (2) Email (2) did not require a substantive response as Ms Davies was simply keeping him apprised of events (with which I agree);
- (3) Emails (4) to (8) and (12) were discussed at meetings Mr Read held with Ms Davies on 13, 15, 21, 24 and 28 March, and 2 May 2023 respectively;
- (4) He could not see that a response was provided in respect of emails (10) and (11) but it may have been discussed in person.

335. At interview, Ms Davies also said there were further occasions when she felt ignored by Mr Read. In particular, she complained that:

- (1) In February 2023, there was a 'Culture Club' meeting, which was run by three people who had complained about her. Mr Read attended the meeting, following which he sent Ms Davies a list of actions. She felt that he was undermining her and not showing her respect;
- (2) In March 2023, a 'Women in Leadership' meeting took place, which Mr Read attended. He failed to invite Ms Davies to the meeting;
- (3) She was not added onto the GE WhatsApp group until 17 March 2023;



- (4) An SLG meeting took place on 17 April 2023. Ms Davies asked Mr Read to chair the meeting, but he was reluctant to do so. She asked him in front of others if this was why he had been ignoring her. He said in reply, “you’ll get used to it”;
 - (5) Mr Read undermined her approach to negotiations with the CWU. At the SLG meeting, Mr Davies insinuated that the negotiations had been easy, whereas Ms Davies had to explain that the CWU still intended to take industrial action.
336. I sought to obtain documents in respect of the matters set out above. No list of actions or emails could be located in respect of (1) or (2) above. In response to the allegations, Mr Read told me, and I accept, that:
- (1) He may have attended a ‘Culture Club’ meeting, given that Ms Davies was keen for him to attend such a meeting. He did not have any recollection of having sent her a list of actions following any such meeting;
 - (2) He may have attended a Women in Leadership meeting, as to which he would have been invited by the Affinity Network to speak. It therefore would have been a matter for the Affinity Network to invite Ms Davies;
 - (3) The GE WhatsApp group was administered by Mr Read’s EA, Philippa Hankin. It was set up during the pandemic but was not used extensively. Ms Hankin added Ms Davies to the group on 16 March 2023. Ms Hankin explained that it was an oversight on her behalf not to have added Ms Davies to the group any sooner;
 - (4) He did not make the alleged remarks at the SLG meeting (which took place on 20, rather than 17, April 2023). His style was to “*lead from the front*” and was content to chair the meeting, which he considered was “*hugely important*” as it was the main vehicle for him to cascade his message to the SLG. I recognise that Mr Read’s account directly contradicts Ms Davies’ account, but I prefer his account, not least because I have seen a copy of the speech that Mr Read prepared for the meeting which supports his statement above;



(5) He did not undermine Ms Davies' approach concerning negotiations with the CWU. He considered that she had done a "great job" with the union, for which he gave her "kudos, credence, credibility". He said he was delighted with the two-year deal that was struck.

337. In the circumstances, I find that Mr Read did not ignore or fail to acknowledge Ms Davies' contributions. Mr Read responded to or discussed the majority of the emails above which Ms Davies said he ignored. He did not undermine or overlook her in respect of events or occasions discussed above (albeit I could not locate documentation in respect of all relevant matters). In any event, there are likely to have been occasions where he could not engage with every email or issue that Ms Davies raised, given the demands placed on him as CEO.

338. Ultimately, there is no evidence before me that Mr Read altered his behaviour towards Ms Davies because he perceived her to have failed to secure him a better remuneration package. As mentioned in respect of Allegation 2.11, Mr Read did not point the finger at Ms Davies; the failed attempts to increase his package long since pre-dated Ms Davies' time at POL.

339. Mr Read told me, and I accept, that he became more "circumspect" towards Ms Davies after the complaints were made to him regarding her alleged bullying behaviour. Insofar as Ms Davies felt that he became more distant towards her, I consider it is more likely that this was because he started to have concerns about whether it was appropriate for Ms Davies to lead the institutional change concerning People and behaviours when he saw the nature of the complaints and not because he held her personally accountable for not improving his remuneration package.

Allegation 2.12

340. In her Speak Up Complaint, Ms Davies alleged that Mr Read was patronising and showed a lack of respect towards her from the beginning of her employment. She said there were



many occasions when Mr Read would send her a request and then add one of the male members of the GE onto the request, asking them both to handle it. She said she felt “*man-marked*”. I asked for examples of this behaviour at interview. She said that:

- (1) Mr Read assigned Tim McInnes, Transformation and Strategy Director, to work alongside her in preparing for the POL People Conference in April 2023; and
- (2) Mr Read sent an email from Ms Arasaratnam at UKGI about mentoring opportunities for high potential candidates to her and Mr Foat, when it should have been a People matter alone.

341. As to (1), it appears that, historically, Mr Taylor, as Communications Director, was responsible for the People Conference and internal communications. It was agreed that, at some point, Ms Davies would take over the role of internal communications. Ms Davies therefore expected to play a central role in running the conference; however, Mr Taylor remained responsible for it, including the mechanics and content of the conference. I am told, and accept, that Mr Taylor was not always collaborative in his approach, which may have led to tension between Ms Davies and Mr Taylor.

342. In any event, Ms Davies was still expected to contribute to the conference and its preparation. However, Mr Read had concerns about her ability to do so: due to a combination of Ms Davies’ annual leave and preparation for the Speak Up investigation concerning the complaints made about her, she did not make sufficient progress in preparing her slides for the conference. Mr Read accepted that he asked Mr McInnes to work on preparing Ms Davies’ slides, but that was necessary because Ms Davies did not engage in the conference in the manner that he had hoped and the content of the slides that she had thus far prepared was poor. With this background in mind, I do not consider it was patronising or disrespectful for Mr Read to ask Mr McInnes to provide assistance.

343. Mr Woodley said that he was concerned about Ms Davies’ well-being at the time and suggested to Ms Davies, and her PA, that he could step in to carry out her presentations, if she needed him to do so. I note that Ms Davies has not complained about Mr Woodley’s



offer of assistance to her, which may be because he made the offer to her directly and through her PA, rather than via Mr Read.

344. As to (2), I asked POL to search for any emails sent by Mr Read to Ms Davies and Mr Foat as described above. No emails could be located. I also asked Mr Foat to search for any such emails. He found an email that Mr Read forwarded to Ms Davies and himself on 11 April 2023 from BEIS Partnerships, seeking nominations to join the Cabinet Office's pool of Lead Reviewers. The email from BEIS said that the role provided an opportunity for EDs and NEDs to develop their skills in respect of reviewing other Arm's Length Bodies ("ALBs").
345. In his covering email, Mr Read asked Ms Davies and Mr Foat if they wanted to give some thought as to whether any colleagues should be nominated. In reply, Ms Davies said to Mr Foat that she was unsure which one of them should take the lead on the nominating process, but the matter felt like a People development opportunity. Mr Foat confirmed that he was happy for Ms Davies to take the lead.
346. Mr Read thought that the email would be of interest to General Counsel, as the email concerned the role of ALBs; Mr Foat considered that the area was in his terms of subject matter expertise, although agreed with Ms Davies that the nomination process was a matter for the People team. I accept their evidence; I do not consider it was in any way patronising or disrespectful for Mr Read to include Mr Foat in his email and ultimately it appears the matter was, or should have been, taken forward by Ms Davies (alone).
347. In the circumstances, I find that Mr Read was not disrespectful or patronising towards Ms Davies in the examples provided. It was reasonable for Mr Read to: (i) ask Mr McInnes to assist Ms Davies in preparing for the conference, given that she had made insufficient progress (a view that was shared by others); and (ii) forward the Lead Reviewer opportunity to Mr Foat, given that the subject matter was of interest to me, and in any event, it is likely the matter was progressed by Ms Davies alone.

**Allegation 2.13**

348. Ms Davies complained that she received less favourable treatment than Mr Cameron. She said several complaints/grievances had been raised against Mr Cameron, mostly by women, that pointed towards a pattern of bullying behaviour, which should have been investigated formally with a view to taking disciplinary action or supporting an improvement in his behaviour. By contrast, minor and unsubstantiated complaints were made against her, which were investigated to a disproportionate level.
349. I asked POL to provide me with records of any informal or formal complaints/grievances that were raised against Mr Cameron. Two formal grievances raised by members of Mr Cameron's team were located. I also understand from witness interviews that an informal complaint may have been raised by a different member of Mr Cameron's team at her exit interview, although there was no record of this or any formal complaint about Mr Cameron that could be found.
350. In respect of the two grievances that were raised:
- (1) An employee raised a grievance on 30 March 2020 in which complaints were made about a redundancy process that had been undertaken, at least in part by Mr Cameron. That included a complaint that a selection decision had been made on the basis of the protected characteristic of race, ethnicity or nationality. The grievance was investigated under the Grievance Procedure by Jackie Newton. Ms Newton found that the redundancy process that had been undertaken was unfair in some respects, but did not uphold the allegation that the selection decision was discriminatory. The employee appealed against the outcome where certain allegations were not upheld. An appeal was heard by Mr Taylor, who agreed with Ms Newton's decision;
 - (2) Another employee raised a grievance (to Ms Davies) on 15 February 2023 that Mr Cameron had bullied him and made remarks which the employee considered to be inappropriate and discriminatory. The grievance was investigated under the



Dignity at Work policy by Mr Woodley. He dismissed many aspects of the grievance, although concluded that Mr Cameron had snapped in one exchange with the employee, been too aggressive in a meeting with him and had sworn in front of colleagues.

351. In respect of the second grievance, Mr Woodley told me, and I accept, that he was asked by a colleague in the People team to carry out the grievance investigation; that was not a process as to which Mr Read had any involvement (which is corroborated by the documents that I have reviewed). I consider it is unlikely that Mr Read had any involvement in the investigation in respect of the first grievance too: there is no evidence before me to suggest he was involved in the process; and in all likelihood, the People team asked Ms Newton to carry out the investigation under the Grievance Procedure.
352. In respect of the investigation into Ms Davies, initially a complaint was made about her alleged bullying by Ms Rhodes on 10 February 2023. As set out earlier, further Speak Up reports were subsequently made by five more individuals which also concerned Ms Davies' behaviour. Two of those reports were made to Mr Read directly on the basis that they felt too intimidated to submit a formal report about Ms Davies. Mr Read told me that he suggested to Mr Foat that an external investigation needed to be carried out in respect of the complaints made about Ms Davies, given that a potential conflict of interest could arise if the investigation into the CPO, who was responsible for changing POL's People culture, was carried out internally.
353. John Bartlett, Head of Central Investigations Unit in the Speak Up team, began the process of arranging the investigation into the complaints. I understand that Mr Read was appointed by the team to have initial oversight of the investigation; however, after further information was provided from the complainants, he was identified as a material witness and stepped down from the oversight role. Mr Tidswell was invited by Mr Bartlett to take on that role, which he did. Mr Tidswell informed me that the Speak Up team proposed that an external investigator should be appointed, which he endorsed, in conjunction with Mr Bartlett and Mr Foat. He agreed that, had he felt uncomfortable with such an



approach, it was open to him to suggest that the investigation should be carried out internally, but he considered it was appropriate.

354. Relevantly, I have also been informed that other members of the GE were or are subject to an investigation in recent months. Mr Taylor was suspended on 12 January 2024 and subject to an external investigation, following the release of covert recordings in which he was said to have made remarks concerning those affected by the Horizon IT scandal. I understand he resigned at the end of February 2024, following that investigation. Mr Roberts is also subject to an investigation concerning allegations made by the Postmaster NEDs in recent correspondence (which I have seen), although I understand that to be internal.
355. In the circumstances, I find that Ms Davies was treated differently from Mr Cameron in that the complaints about her behaviour were investigated externally, whereas the complaints about or involving Mr Cameron were investigated internally. She was also treated differently from Mr Roberts in this regard, although she was not treated differently from Mr Taylor, who was subject to an external investigation.
356. However, Mr Read was not personally responsible for any such different treatment between Ms Davies and Mr Cameron. He was not involved in the internal investigations concerning Mr Cameron's alleged behaviour; as I identified above, the People team is likely to have decided who would be appropriate to investigate those complaints under the grievance procedure/Dignity at Work Policy. Whilst Mr Read may have initially suggested the appointment of external investigators regarding the complaints into Ms Davies' alleged behaviour, the decision to do so rested with Mr Tidswell. If he was uncomfortable with such an approach, it was open to him to suggest that the investigation should be carried out internally.
357. In any event, the circumstances concerning the complaints about the alleged behaviour of Mr Cameron and Ms Davies were materially different. I have only found evidence of two, possibly three, complaints that were made about Mr Cameron, which were made over a period spanning several years. That is quite different from the complaints made



about Ms Davies, which were raised by six individuals, including to Mr Read, within quick succession under POL's Speak Up Policy. That would suggest, at least on the face of it, that the complaints were of a serious and significant nature, although I accept it is not by itself determinative.

358. I have also taken into account the fact that there were different considerations in investigating a CPO, in comparison to a CFO, even if they are both members of the GE/SEG. The CPO is responsible for People culture within the organisation and advising on HR issues, such as considering next steps in respect of any investigation reports, like the question of continued employment. As Mr Read suggested, this could lead to a potential conflict of interest. I therefore consider it was appropriate for an external investigation to be carried out regarding the complaints into Ms Davies' alleged bullying.

359. That said, there was no evidence before me of a clearly recorded decision to appoint an external investigator, which I instead gleaned from contemporaneous email evidence and interviewing witnesses. It would be sensible to ensure that there is a clear audit trail recording why a decision has been taken to deviate from the usual process and appoint an external investigator.

Allegation 2.14

360. In her Speak Up Complaint, Ms Davies contended that Mr Read's behaviours that she complained of by way of Allegations 2.10 to 2.13 was driven by gender. When I asked her why she considered that to be the case, she said that was because Mr Read had a different way of treating her than he treated men.

361. However, the only ways in which I have found that Mr Read treated Ms Davies differently to others, vis-à-vis Allegations 2.10 to 2.13, was that: (i) he became more "circumspect" towards her after the complaints were made to him regarding her alleged bullying (Allegation 2.11); and (ii) she was subject to an external investigation in respect of those allegations, whereas Mr Cameron was not, albeit Mr Read was not involved in



decisions to investigate the grievances against Mr Cameron (Allegation 2.10). I have set out above the reasons for such treatment, which are not related to gender.

362. In any event, the evidence before me that Mr Read acted in a sexist or misogynistic manner towards Ms Davies, whether consciously or unconsciously, was weak. Ms Davies suggested that Mr Read's military background resulted in a need to surround himself by "*white 'yes' men*". However, on the evidence before me, I did not discern any top-down or hierarchical approach to leadership by Mr Read that favoured men, or any desire on his behalf to surround himself by "*white 'yes' men*".
363. Ms Davies pointed out to me the lack of diversity within the GE. Last year, four of twelve colleagues attending GE meetings were female, namely (i) Ms Davies, (ii) Kathryn Sherratt, Interim CFO, (iii) Diane Wills, Public Inquiry Director and (iv) Chrysanthy Psipinis, Chief of Staff. Under the new structure, three of seven members attending SEG meetings are female, namely (i) Ms McEwan, (ii) Ms Sherratt and (iii) Ms Psipinis. In respect of proportions, that offers slightly better representation of women, although not in absolute numbers.
364. I understand that concerns have been raised about the lack of diversity in leadership at a wider level, i.e. within the SLG. However, I am told, and accept, that the GE/SEG is aware of this issue, which is discussed regularly at GE/SEG and Board level. Employee surveys are also carried out to assist the GE/SEG in understanding the scale of the problem. I also understand that Mr Read has undertaken at least some EDI training recently at POL, including in respect of issues relating to race. These factors also do not suggest that Mr Read wants to surround himself by "*white 'yes' men*".
365. I should add for the sake of completeness that Mr Staunton has changed the account he gave to me when I asked if he considered gender played a role in Mr Read's behaviour towards Ms Davies. At interview, Mr Staunton told me that there was "*not an ounce of misogyny*" in Mr Read (or himself). On 14 March 2024, Mr Staunton changed his answer in the notes of his interview by deleting the above remark and instead stating that Mr Read "*has an army background which perhaps explains his dealings with female*



management". My clear recollection is that Mr Staunton did not provide such an answer at interview. His revised answer now aligns closely to the statements made by Ms Davies and raises questions about the integrity of his evidence. As previously explained, I give little, if any, weight to the revised accounts provided by Mr Staunton since his removal.

366. Finally, I have also taken into account the fact that Ms Davies did not initially appear to consider that Mr Read's behaviour towards her was sexist. Ms Davies sent me a note she wrote to herself on 4 April 2023 recording her concerns about behaviours at POL: whilst noting concerns about Mr Read's alleged behaviour, she did not state that she considered such behaviour was discriminatory on grounds of sex. Nor did she complain that she considered Mr Read's behaviour towards her was discriminatory in her letter to Mr Staunton dated 24 May 2023.
367. At interview, Ms Davies suggested that she had complained to Mr Foat about Mr Read's alleged discriminatory behaviour shortly before the POL People Conference in April 2023. However, there is no such evidence that she raised such a complaint; Mr Foat's recollection is that they only discussed the external investigation that had been commissioned by this stage into her alleged bullying. Given that Ms Davies did not record or complain of any discriminatory behaviour in April or May 2023, as outlined above, I prefer Mr Foat's account.
368. In the circumstances, insofar as Ms Davies was subject to any different treatment by Mr Read by way of Allegations 2.11 and 2.13, the reasons for such treatment were unrelated to gender. The evidence before me that gender played any role in Mr Read's behaviour more widely is weak and unconvincing.



G. CONCLUSION AND RECOMMENDATIONS

369. My conclusions in respect of the Allegations are set out in the ‘Summary’ section above. In light of the findings of fact and conclusions set out above, I make the following recommendations, which I invite the ISG to consider.

Allegation 2.1

370. In respect of the failure to obtain prior Shareholder consent in respect of the payment of Mr Read’s 2021/22 STIP, I was concerned by the fact that Sarah Munby was informed that POL had taken steps to ensure there was no prospect of the situation occurring again, but no one could clearly identify the nature of the steps that were proposed or had been implemented at that time.

371. That said, I recognise: (i) changes have since been made to RemCo’s Terms of Reference to make the need to obtain consent in respect of the remuneration packages for EDs explicit; and (ii) Mr Rudkin ensures that payments to Mr Read are not processed until he has checked that the necessary approvals have been obtained.

372. In my judgement, it would be beneficial to set out a clear written procedure, by reference to the notice requirements at Article 8.3 of the Articles of Association, which explains in what circumstances consent must be obtained, by whom and when. Ideally, that procedure should be agreed with UKGI and/or DBT. Steps should be taken to ensure that the Reward Director, CPO, Chair of RemCo and EDs are aware of such a procedure. I also consider that RemCo’s Terms of Reference could be made clearer to emphasise that prior Shareholder consent is required before payment is made.

373. It is also important that the expectations of the EDs, Mr Read and Mr Cameron, as to the timing of payment of their bonuses are managed appropriately.

**Allegation 2.3**

374. In respect of the failure to notify RemCo of the changes made to Ms Williams' pay with effect from April 2022, I note that changes have already been made to RemCo's Terms of Reference to make explicit that its responsibilities include approving any changes to the remuneration packages and terms and conditions of employment for proposed GE appointments, including any interim appointments. It would be beneficial for Ms Burton to discuss these amendments to the Terms of Reference with Mr Read, so that he fully understands the circumstances in which RemCo has oversight of the remuneration packages and terms and conditions of employment of his direct reports.
375. RemCo may also need to consider whether any further changes need to be made to the Terms of Reference to reflect the restructure of the Executive team to ensure that the scope of its responsibilities are clear.
376. It does not appear that Ms Williams' team involved the Legal team in considering whether any changes needed to be made to other terms and conditions of her employment to reflect the new arrangement that was effective from April 2022 (such as the obligation upon Ms Williams to devote the whole of her time, attention and abilities to POL). It would be sensible for the People team to refer to the Legal team if the working arrangements of any members of the GE/SEG change. The Legal team may also want to consider if the template terms and conditions of employment issued to employees are suitable for those working on a part-time basis and/or for other organisations.

Allegation 2.5

377. From having spoken to Ms Marriott, it is clear that the Recruitment & On-boarding Policy and Contractor Recruitment/Engagement Policy have undergone significant amendments since Mr Cooke was re-engaged as a contractor in February 2023, which I am encouraged to hear. However, it is possible that inconsistent decisions may still be reached in respect of the use of contractors, given that the current policies differ in material respects.



378. In particular, §8 of the current Recruitment & On-boarding Policy sets out a wider set of circumstances in respect of which the re-engagement or re-employment of previous POL employees is prohibited than is set out at §7.5 of the current Contractor Engagement Policy. Furthermore, there is no exception to this prohibition in the Recruitment & On-boarding Policy, whereas §7.5 of the Contractor Engagement Policy envisions that in exceptional circumstances a business case can be made, which requires review by the Tax team and agreement by the relevant GE member and CPO. The content of these policies should be aligned to avoid any confusion.
379. Moreover, steps should be taken to ensure that training is rolled out in respect of these updated policies, particularly in respect of departments (such as IT) where the use of contractors has been, or remains, prevalent.

Allegation 2.6

380. I have not been able to make any findings of fact in respect of the recruitment of Mr Foat, Mr Roberts and Mr Taylor due to the lack of available documentation and information regarding their recruitment. I recommend that POL retains on a centralised system for a reasonable period of time (i.e. several years) the essential records of recruitment processes that have been carried out, including any adverts and job specifications, interview questions, notes of interviews and the outcome of any selection, even where headhunters have been used. That is vital in case queries are raised, or accusations are made, in respect of such processes.
381. As regards to the recruitment of Mr Mladenov, I recognise that the Recruitment & On-boarding Policy has now been clarified to explain the circumstances in which a vacancy may arise (including the creation of a new role) and the process that must be adopted in respect of such vacancies. Steps should be taken to ensure that Mr Read and the Executive team are aware of the amendments to this policy and the circumstances in which it may be engaged.



382. Should any further changes be made to the structure of the Executive team and/or scope of the responsibilities of such members, consideration should be given as to whether this engages the relevant provisions of the Recruitment & On-boarding Policy.

Allegation 2.7

383. In light of the critical role members of the Board play in governing POL, consideration should be given as to whether EDI training should be offered to NEDs, including the future interim or permanent Chair. Further or alternatively, such training could be a mandatory requirement for those involved in external or internal recruitment processes; they are, after all, representatives of POL. Such steps would demonstrate that POL takes EDI in the organisation seriously, understands the issues employees may face and acknowledges past problems, including those that arose with Mr Staunton.

384. I was also concerned by the remarks made by Mr Staunton in respect of his outdated view of the Speak Up process and investigations (the latter of which he said, notably, were a “*cancer*” in the organisation), and the impact such views can have on workplace culture. It was very troubling that those remarks were made by the (then) Chair of an organisation that is grappling with the most serious of institutional failings. My concern was undoubtedly shared by numerous others within and outside the organisation.

385. In looking for a new Chair, it should be a key consideration for POL and DBT (bearing in mind the Secretary of State must approve any appointment) to assess whether prospective candidates have good experience of helping to foster a workplace culture in which any concerns relating to e.g. EDI, discrimination or whistleblowing can be raised openly without fear of intimidation or retribution. That may allow those that work at POL, including senior management and NEDs, to feel able to challenge any inappropriate behaviour that may be witnessed.

**Allegation 2.10**

386. Whilst I have not found that Mr Read bullied Ms Davies in respect of the messages he sent concerning his remuneration package, it is clear that he has been dissatisfied for some time in respect of his pay and he may wish to reflect upon matters. Ms McEwan and Ms Burton will no doubt wish to ensure that the future interim or permanent Chair is aware of the history of requests made to the government in respect of Mr Read's pay to ensure that his expectations are managed appropriately moving forward.

Allegation 2.13

387. In respect of the decision to commission an external investigation into Ms Davies' alleged behaviour, I was surprised that this was not recorded clearly in one place, as set out in the 'Findings of Fact' section above. The Speak Up team should ensure that there is an audit trail recording why, by whom and when any decision has been taken to deviate from the usual process.

388. In my view of my findings of fact and recommendations made above, and in light of the Terms of Reference, any next steps are a matter for the ISG.

8 April 2024

MARIANNE TUTIN
Devereux Chambers



ANNEX: PRIVILEGED FINDINGS OF FACT

1. As I explain in the main report dated 8 April 2024, I received documents or information that I have been informed: (i) is subject to legal professional or without prejudice privilege; and (ii) as to which there has been no general waiver of privilege. I understand that POL wishes to maintain privilege regarding these documents or information. Accordingly, I have not referenced them in the main body of the report and instead set out below additional findings of fact based upon such privileged documents or information in this Annex.

Allegation 2.5

2. When Mr Cooke suggested his role had been made redundant and declined an alternative role, Mr Mladenov sought legal advice from the POL Legal Team about Mr Cooke's arguments. Laurence O'Neill, Head of Legal HR/IR, advised Mr Mladenov that the ship had sailed to argue that Mr Cooke's role was not redundant, as Mr Mladenov had appeared to accept this position in correspondence with Mr Cooke. Mr O'Neill provided advice about the terms of any settlement offer to Mr Mladenov. At this stage, it is unclear if Mr Mladenov informed Mr O'Neill that he was contemplating allowing Mr Cooke to return as a day rate contractor.
3. On 2 November 2022, Mr Mladenov negotiated the following with Mr Cooke:
 - (1) Mr Cooke would leave with 'good leaver' status, so he would be eligible for STIP and LTIP payments;
 - (2) Mr Cooke would receive pay in lieu of three months' notice, to be structured as required to allow for tax breaks;
 - (3) Mr Cooke would not have any notice period so he could resign whenever he wished to do so;



- (4) Upon resignation, Mr Cooke could return to support Mr Mladenov as a day rate contractor and on a short-term basis. The day rate and title of the role was still to be determined.
4. Mr Mladenov sent an email to Mr Read, Ms Williams and Mr Kelly on the same day, setting out the above proposal and noting it was subject to the approval of Mr Read and Ms Williams. Mr Mladenov indicated that he did not consider that Mr Cooke was made redundant or constructively dismissed, but considered that the proposal was a better solution for POL. A few days later Mr Mladenov contacted them again to say that, having spoken to the Tax team, he believed there was no issue with the switch to the contractor role as it was “*radically different*” from Mr Cooke’s previous role.
5. In reply, Ms Williams said that either Mr Cooke needed to be regarded as redundant (in which case he would be entitled to ‘good leaver’ status) or he should resign (in which case he would not be entitled to ‘good leaver’ status). She said if the matter was clarified, then a settlement agreement could be drafted. She did not provide any further feedback. Mr Read does not appear to have replied to Mr Mladenov’s email at this time.
6. On 24 December 2022, Mr Mladenov contacted Ms Rhodes and Mr Kelly. Mr Mladenov explained that he had reached a resolution with Mr Cooke that allowed him to stay with POL for a few more months, which was important because he considered that Mr Cooke was a “*currently irreplaceable component of the NBIT project and his premature departure or demotivation would have been a significant hit*”. He noted that the proposal had been agreed with Ms Williams and Mr Read, the latter of whom he said had “*strong views*” about the agreement. However, Mr Mladenov explained to me, and I accept, that Mr Read had strong views about Mr Cooke’s argument that he had been made redundant, rather than his return as a contractor. It is unclear if Mr Read expressed any views on the latter issue, or was even aware of the same.
7. On 3 January 2023, Mr Kelly advised Mr Mladenov in respect of the proposed settlement agreement. Mr Kelly advised that the settlement agreement could not contain any arrangements for Mr Cooke to return in the future, given the purpose of the agreement was to deal only with the termination of employment. However, Mr Kelly clearly



understood that was the intention, as he enquired if the Talent team had been engaged with respect to Mr Cooke's return as a contractor.

8. The settlement agreement was subject to refinement in January 2023. Mr Kelly sought further legal advice from Mr O'Neill, noting that Mr Mladenov had agreed to bring Mr Cooke back as a day rate contractor. Mr O'Neill questioned Mr Kelly whether it was permissible for Mr Cooke to return as a day rate contractor without breaching POL's policies and offered to check the matter.
9. In reply, Mr Kelly indicated that he did not consider POL was in breach of any policies, given that the matter involved mutual termination of employment, rather than a redundancy, but said he hoped there would be closer day-to-day HR management on the matter in the future to avoid such situations in the future.
10. After Ms Davies made Mr Read aware on 2 February 2023 of the day contractor rate that had been agreed for Mr Cooke, she appears to have contacted Mr O'Neill for legal advice on the practice of 'flipping'. Mr O'Neill noted, relevantly:
 - (1) Contractor engagement at POL had not been a focus of the People/HR team; typically, it was a Procurement focus. There was no governance in the contractor space governing day rate. Individuals were returning as contractors on day rates which were two to three times higher than previous POL salaries;
 - (2) Encouraging or allowing employees to become a contractor with significantly higher pay could breach the principles under MPM, in that it might not provide value for money, although it depended on the circumstances;
 - (3) The practice potentially breached POL's Recruitment and On-boarding Policy in respect of its prohibition against the re-engagement of individuals as contractors in certain circumstances.
11. Ms Davies indicated that she wished to incorporate Mr O'Neill's advice into the Contractor Engagement Policy.



12. As set out in the 'Findings of Fact' section above, I have made findings in respect of the reason as to why Mr Cooke ceased permanent employment in January 2023 and returned in February 2023 as a contractor. In my judgement, the arrangement was implicitly approved by Ms Williams, Mr Kelly and Ms Rhodes. They were all aware of Mr Mladenov's proposal and did not take issue with what was suggested. I note that Mr Kelly did consider compliance with POL's policies, but appears to have overlooked the fact that the re-engagement of individuals was prohibited where they had left by way of a settlement agreement. He genuinely, but mistakenly, considered that the arrangement was in accordance with POL's policies.
13. I do not consider, however, that Mr Read approved the arrangement in the same way; he did not reply to Mr Mladenov's email of 2 November 2022 in which he set out the proposal. Whilst Mr Mladenov discussed the circumstances of Mr Cooke's departure with Mr Read, there is no evidence before me that he made Mr Read aware that the intention was for Mr Cooke to return immediately after the termination of his employment as a day rate contractor.
14. Whilst Ms Williams and/or her team implicitly approved the arrangement, I do not believe they were not aware at the time of the daily contractor rate that Mr Mladenov had negotiated. The first time that the People team appears to have become of the agreed rate was on 2 February 2023, the day that Mr Cooke started as a contractor.
15. In my judgement, they ought to have made enquiries about the day rate that had been agreed to ensure that it represented value for money. Mr Cooke's daily rate was, I understand, one of the highest agreed in the business and amounts to an increase of approximately 250% under his salary (albeit that does not incorporate any entitlement to participate in STIPs/LTIPs). It raises questions about whether value for money was obtained in respect of Mr Cooke's contract (as the current Contractor Engagement Policy acknowledges) and therefore may have placed Mr Read in a difficult position as AO.



**SUMMARY OF INVESTIGATION REPORT INTO CONCERNS
RAISED UNDER POST OFFICE LIMITED'S SPEAK UP POLICY**

**FOR THE ATTENTION OF
THE INVESTIGATION STEERING GROUP
(AMANDA BURTON AND LORNA GRATTON)**

MARIANNE TUTIN
Devereux Chambers

8 April 2024

STRICTLY PRIVATE & CONFIDENTIAL



SUMMARY OF FINDINGS OF FACT AND RECOMMENDATIONS

Overview

1. I am a practising employment barrister at Devereux Chambers.
2. I have been instructed to carry out an external investigation by Pinsent Masons LLP (“**Pinsent Masons**”) on behalf of Post Office Limited (“**POL**”) into allegations of potential wrongdoing, bullying and sexist behaviour by POL and named individuals. The allegations were made by Jane Davies, former Chief People Officer (“**CPO**”), by way of a Speak Up report to Ben Foat, General Counsel, dated 4 September 2023 (the “**Speak Up Complaint**”).
3. The Commissioning Executive for this investigation is Karen McEwan, CPO. The investigation report is to be delivered to an Investigation Steering Group (“**ISG**”), comprised of Amanda Burton, Non-Executive Director and Chair of the Remuneration Committee (“**RemCo**”), and Lorna Gratton, Non-Executive Director and UK Government Investments Ltd (“**UKGI**”) representative.
4. My instructions were made pursuant to the Terms of Reference, which identify 14 allegations (the “**Allegations**”) to be investigated. For the sake of ease, I adopt below the numbering of the Allegations used in the Terms of Reference updated in January 2024.
5. The contents of this summary and the investigation report are strictly private and confidential. Neither the summary of the report or the report itself, nor their contents, should be shared, disseminated or published in any form without the prior written permission of POL.
6. Broadly, the Allegations set out in the Terms of Reference can be divided into concerns that Ms Davies has raised about: (i) processes not being followed, and the extent to which this was known by Nick Read, Chief Executive Officer (“**CEO**”), and/or others and



reported where necessary; and (ii) the conduct of Mr Read primarily and Henry Staunton, former Chair of POL, to a lesser extent.

7. As to (i), I have found that there were occasions where POL's processes were deficient and/or not followed. Mr Read was not aware of such failings at the time (apart from in respect of one matter concerning Allegation 2.3). The failure to follow the relevant processes by others did, however, place Mr Read in a difficult position, in light of his personal responsibilities as Accounting Officer. Steps have already been taken to improve these processes and I invite the ISG to consider my recommendations to ensure they are as robust and clear as possible, moving forward.
8. As to (ii), I have not upheld the Allegations relating to Mr Read's conduct, including towards Ms Davies, although some self-reflection on his approach towards certain issues such as his pay may be welcome. I have upheld Allegation 2.7 concerning Mr Staunton's conduct, namely that he made discriminatory remarks during a recruitment process. The behaviour demonstrated by Mr Staunton during this investigation, and to an extent by Ms Davies, has given me cause for concern about the reliability and integrity of their evidence, particularly the revised accounts they provided to me following Mr Staunton's removal as Chair.
9. For a proper understanding of its content, the investigation report must be read as a whole. In summary, however, I have made the following findings of fact and, where appropriate, recommendations:

Allegation 2.1

10. There was a bonus multiplier error, namely that prior Shareholder consent was not obtained in respect of the approach of applying a multiplier (based on personal performance) to the whole annual bonus (resulting in an uplift) that was paid to Mr Read at the end of August 2022. Mr Read was not aware of the error before payment was made to him and therefore it was not a matter that he needed to declare to RemCo. Mr Read and RemCo were subsequently made aware of the error by UKGI in September 2022;



retrospective approval was sought (and an apology offered) without delay. The error did not result in an overpayment as such, because retrospective approval for the 2021/22 annual bonus was granted by the Shareholder in January 2023.

11. Steps have been taken to make it explicit in RemCo's Terms of Reference that Shareholder approval is required in respect of the remuneration packages of Executive Directors ("EDs"). However, I recommend that a clear written procedure is agreed with UKGI and/or DBT, by reference to the notice requirements set out in the Articles of Association, which explains in what circumstances consent must be obtained, by whom and when. I also consider that RemCo's Terms of Reference could be made clearer to emphasise that prior Shareholder consent is required before payment is made.

Allegation 2.2

12. The same bonus multiplier error did not result in an overpayment to other members of the Executive team who received an uplifted annual bonus because there was no need to obtain prior Shareholder consent in respect of their bonuses, as they were not EDs. Even if the application of the multiplier to the whole bonus was not included in the original design and structure of the 2021/22 Short Term Incentive Plan ("STIP"), it was open to RemCo to approve such an approach, in accordance with its Terms of Reference and the STIP scheme rules.
13. No conflict of interest arose in Angela Williams putting forward proposals that financially benefitted her (and others on the Executive team), given RemCo had independent oversight of the remuneration packages of members of the Executive team and it scrutinised the proposals properly. Therefore, there was no error, or conflict of interest, for Mr Read or anyone else to declare to RemCo.

Allegation 2.3

14. Ms Williams continued in part-time employment as interim CPO with POL from April 2022 onwards, whilst employed full-time as CPO elsewhere. The reason she did so was



because: (i) Lisa Cherry, the former CPO for whom Ms Williams was providing cover, indicated that she did not intend to return to POL at the end of [GRO] after Ms Williams had already secured a role elsewhere; (ii) Mr Read, with the approval of Lisa Harrington, former Chair of RemCo, did not wish to recruit another interim CPO given the high turnover in People leadership in recent years; and (iii) Ms Williams agreed to Mr Read's request to remain at POL for a short period of time whilst the recruitment process for a permanent CPO was underway.

15. However, this arrangement was a breach of the express terms of Ms Williams' contract of employment, namely the clauses: (i) requiring that Ms Williams would "*devote the whole of [her] time, attention and abilities to Post Office's business*"; and (ii) prohibiting Ms Williams from being directly or indirectly engaged in any capacity in any other business, trade, profession or occupation, without the prior written approval of POL. That said, the intention of Ms Williams and Mr Read is likely to have been that clause (i) should have been modified to reflect the circumstances and as to clause (ii) approval was implicitly granted by Mr Read for the arrangement.
16. Mr Read notified Ms Harrington about the proposal for Ms Williams to work part-time for POL whilst a recruitment process for a permanent replacement was underway, which she approved. RemCo was also aware that Ms Williams was carrying out another role elsewhere. However, Mr Read did not inform RemCo of the changes made to Ms Williams' remuneration package, which were material and significant, nor did she remind him of the need to do so. The proposed changes should have been disclosed and approved by RemCo in advance, but they were not. Nevertheless, the changes made to her pay did not need to be disclosed in order to obtain Treasury sign off, as the Senior Pay Guidance did not apply to Ms Williams' appointment.
17. Amendments have already been made to RemCo's Terms of Reference to make it explicit that its responsibilities include approving any changes to the remuneration packages and terms and conditions of employment for proposed GE appointments, including any interim appointments, which is helpful. It would be beneficial for Ms Burton, Chair of RemCo, to discuss these recent changes with Mr Read so that he fully understands the



circumstances in which RemCo has oversight of the remuneration packages and terms and conditions of employment of his direct reports. Should any changes need to be made to the terms and conditions of employment of the Executive team, the People team may want to refer the matter to the Legal team for advice.

Allegation 2.4

18. Ms Williams was granted good leaver status in respect of the 2021/24 Long Term Incentive Plan (“LTIP”) by Mr Read (although she was not eligible to participate in the 2022/25 LTIP). That was in accordance with the existing LTIP scheme rules and therefore there was no requirement to disclose this to RemCo, whether by Mr Read or others. Changes were made to the LTIP scheme rules with effect from 1 April 2023, which now makes clear that individuals that cease to be an employee by reason of the expiry of a fixed-term contract will no longer be regarded as a good leaver, but those changes did not apply retrospectively to earlier schemes.

Allegation 2.5

19. Mr Cooke ceased his permanent employment with POL as Branch and Digital Engineering Director with effect from 31 January 2023 and returned two days later as a day rate contractor in the role of Special Adviser to Mr Mladenov. The reason he did so was because his permanent employment with POL ceased as he considered he had been made redundant, but Mr Mladenov did not want to lose his considerable expertise so engaged him as a contractor on a short-term basis (namely three months).
20. On the face of it, that appears to be a breach of the applicable version of the Recruitment & On-boarding and Contractor Recruitment Policies, as he returned as a contractor after leaving by way of a settlement agreement and/or where his role was redundant, which was prohibited under the policies. There was, at the relevant time, an exception to this prohibition if it was approved on an exceptional basis by a People Director. Whilst the arrangement was implicitly approved by Ms Williams and her team, no consideration appears to have been given to the policies and therefore no formal or explicit



authorisation of the arrangement was provided by a People Director or anyone else within the People team, in breach of the policies.

21. The Recruitment & On-boarding and Contractor Recruitment/Engagement policies have undergone significant amendments since the above arrangement with Mr Cooke. However, it is possible that inconsistent decisions may still be reached in respect of the use of contractors, as the current policies differ in material respects. The content of the policies should be aligned to avoid any confusion. Training should be rolled out in respect of these policies in departments (such as IT), where the use of contractors has been, or remains, prevalent.

Allegation 2.6

22. I cannot make any findings as to whether an open recruitment process was carried out in respect of Ben Foat (as General Counsel), Martin Roberts (as Chief Retail Officer) and Mr Taylor (as Corporate Affairs, Communications and Brand Director) due to the lack of available information and documentation. I recommend that POL retains on a centralised system for a reasonable period of time the essential records of recruitment processes that have been carried out, which is vital in case queries are raised, or accusations are made, in respect of such processes.
23. However, an open recruitment process does not appear to have been followed in respect of Zdravko Mladenov (as Chief Digital and Information Officer), in the sense that the role was not advertised and he was not formally interviewed for the role. There may have been good reasons for this and/or exceptional approval by a People Director or others in the People team could have been granted in accordance with the applicable version of the Recruitment and On-boarding Policy, but I cannot make any findings to this effect, given the lack of information and documentation.
24. The Recruitment & On-boarding Policy has already been clarified to explain the circumstances in which a vacancy may arise (including the creation of a new role) and the process that must be adopted in respect of such vacancies. Steps should be taken to



ensure that Mr Read and the Executive team are aware of the amendments to this policy and the circumstances in which it may be engaged.

Allegation 2.7

25. During the meeting with Green Park on 25 January 2023 to discuss candidates for the independent NED role, Mr Staunton: (i) said words to the effect of “*she doesn’t look coloured, where does she come from?*” in respect of a candidate, Ms A; (ii) called younger female candidates “*girls*” and older female candidates “*ladies*”; and (iii) questioned whether a particular candidate for the role would be a “*pain in the arse*”, and when asked about this remark, stated that a CEO he had worked with at a different organisation did not want to employ women because they were “*pains in the arse*”.
26. Mr Staunton’s remarks were discriminatory on grounds of race and sex, and therefore not in accordance with the Dignity at Work Policy. The remarks go well beyond his characterisation of them as potentially “*politically incorrect*” statements. In particular:
- (1) As to the remarks relating to the origin of Ms A, the use of the word “*coloured*” is offensive and outdated. Questions regarding an individual’s origins, particularly during a recruitment process, are inappropriate. I consider it is unlikely Mr Staunton would have questioned the origin of a candidate with a British sounding name. Whilst his desire to increase diversity at Board level was no doubt genuine and to be welcomed, his approach fell far short of acceptable standards;
 - (2) As to describing younger-looking women as “*girls*” and older-looking women as “*ladies*”, I consider it is unlikely Mr Staunton would have referred to male candidates as “*boys*” or “*gentlemen*”. I recognise that it is not uncommon for women to be referred to as “*girls*” and/or “*ladies*” in the workplace, but it can be viewed by many as infantilising or patronising. I find, however, that Mr Staunton intended no offence by using such terms;



- (3) As to the remarks made questioning whether a female candidate would be a “*pain in the arse*”, I do not consider Mr Staunton would have posed such a question in respect of a male candidate. I accept that Mr Staunton may have made this remark and shared the story in respect of the CEO at a different organisation in an attempt at humour. Nevertheless, discriminatory jokes or banter can still amount to unacceptable behaviour.
27. Consideration should be given as to whether equity, diversity and inclusion (“**EDI**”) training should be offered to Non-Executive Directors (“**NEDs**”), including the future interim or permanent Chair. Alternatively, such training could be a mandatory requirement for any NEDs involved in external or internal recruitment processes, where they are acting as a representative of POL.
28. I was also concerned by remarks made by Mr Staunton in respect of his outdated view of the Speak Up process and investigations (the latter of which he said, notably, were a “*cancer*” in the organisation), and the impact such views can have on workplace culture. It was very troubling that those remarks were made by the (then) Chair of an organisation that is grappling with the most serious of institutional failings. In looking for a new Chair, it should be a key consideration for POL and DBT to assess whether prospective candidates have good experience of helping to foster a workplace culture in which any concerns relating to e.g. EDI, discrimination or whistleblowing can be raised openly without fear of intimidation or retribution.

Allegation 2.8

29. A dinner took place in Mayfair on 1 March 2023, which was attended by Mr Read, Owen Woodley, Deputy CEO, and a commercial director from POL, along with POL’s financial advisers, to discuss the restructuring of a deal with a bank. The dinner was lengthy and attendees were drinking wine, which was not unusual for such occasions. It appeared the commercial director was more affected by alcohol than others. The discussions were challenging and strong views were expressed by all. The director became belligerent and more animated than others in the debate. He apologised,



unprompted, for his behaviour the following morning and Mr Woodley spoke to him about his behaviour informally.

30. At some point, Mr Read updated Ms Davies on the dinner and Mr Woodley's conversation with the director. She suggested this was a serious conduct issue, which she felt she should address. Mr Read told her he did not consider such a response was necessary in the circumstances. In my judgement, the approach of Mr Woodley and Mr Read was reasonable: the behaviour of the director was not sufficiently serious to justify the initiation of a disciplinary investigation or a formal response.

Allegation 2.9

31. Ms Davies sent Mr Staunton a letter on 24 May 2023, asking to have an "off record" discussion about her concerns regarding the leadership culture at POL. Mr Staunton did not respond substantively to that letter; the rest of the Board did not receive a copy of the letter, so were not aware of it.
32. However, I do not consider that Mr Staunton failed to intervene or address the allegations raised by Ms Davies, because there was no need for him to do so. An informal response was acceptable in the circumstances. Mr Staunton tried to speak to Ms Davies after she sent the letter to encourage her to return to work, but that did not occur because she was GRO and never returned to work. If she wanted to make further enquiries with Mr Staunton or the Board about her letter, she was capable of doing so, but did not before her employment ended.

Allegation 2.10

33. Mr Read did not bully Ms Davies in respect of the message he sent her concerning his dissatisfaction with his pay in January 2023.
34. Mr Read had been dissatisfied demonstrably with his remuneration package for some time, with numerous attempts being made by former Chairs of POL to seek an improved



package from the government. Ms Davies, Mr Read and Mr Staunton discussed the topic intensively during the first two months of Ms Davies' employment in particular. Mr Read suggested that he would resign or take action unless matters improved, with increasing frequency and feeling, during January 2023.

35. From Ms Davies' perspective, I appreciate that she must have felt under pressure to improve his pay, given the intense focus this issue received and Mr Read's increasingly strong suggestions that he would leave POL or take action. That said, some of that pressure may well have been self-imposed by Ms Davies in her desire to succeed where her predecessor, Ms Williams, had seemingly failed.
36. Mr Read's messages were, at times, demanding, impatient and irritable, which he may wish to reflect upon. However, they were, on balance, not of an offensive, aggressive or humiliating nature. They were not of that severity. Furthermore, Mr Read explained to Ms Davies that his dissatisfaction with his pay pre-dated her time at POL and he did not blame her for the situation. Mr Read spoke to others, including Mr Staunton, about his dissatisfaction with his pay in similar terms. There was no 'finger-pointing' at Ms Davies.
37. Overall, Ms Davies was supportive of Mr Read in attempting to secure an improved remuneration package. There is no sense in the messages sent at the time that she considered it to be a "*ridiculous quest*", as she now puts it. As CPO, Ms Davies was capable of pushing back against Mr Read and/or raising concerns with Mr Staunton about any behaviour by Mr Read if she considered it crossed the line, but that did not occur. She did not make any record of her concerns about Mr Read's behaviour until she made a note to herself on 4 April 2023 (although she did not describe it as bullying), nor did it feature in her letter to Mr Staunton dated 24 May 2023.
38. Nevertheless, POL will no doubt wish to ensure that the future Chair is aware of the history of requests made to the government in respect of Mr Read's pay to ensure that his expectations are managed appropriately moving forward.

**Allegation 2.11**

39. Mr Read did not ignore or fail to acknowledge Ms Davies' contributions because she did not secure him an improved remuneration package.
40. Mr Read acknowledged or discussed the majority of the emails which Ms Davies says he ignored. If he did not respond to every email she sent him, this is likely to be because of the demands placed on him as CEO. Further, Mr Read did not undermine or overlook her in respect of the events or occasions that she complained of (albeit I could not locate documentation in respect of all relevant matters).
41. Ultimately, there is no evidence before me that Mr Read changed his behaviour towards Ms Davies because he perceived her to have failed to secure him a better remuneration package. As mentioned in respect of Allegation 2.10, Mr Read did not point the finger at Ms Davies; the failed attempts to increase his remuneration package long since pre-dated Ms Davies' time at POL.
42. Mr Read did, however, accept that he became more circumspect towards Ms Davies after the complaints were made to him regarding her alleged bullying of her team. Insofar as he became more distant towards her, this was because he started to have concerns about whether it was appropriate for Ms Davies to lead the institutional change required at POL when he was notified of the nature of the complaints made against her, and not because he held her personally accountable in respect of his remuneration package.

Allegation 2.12

43. Ms Davies alleged that Mr Read was patronising and disrespectful to her by assigning male members of the Executive team to work alongside her in her duties. In particular, she complained that Mr Read: (i) assigned a colleague to work alongside her in preparing for the POL People Conference in April 2023; and (ii) sent an email from a colleague at UKGI about mentoring opportunities for high potential candidates to her and Mr Foat, when it should have been a People matter alone.



44. As to (i), Mr Read accepted that he asked a colleague to assist Ms Davies in her preparation for the POL People Conference. I find this was reasonable because she had made insufficient progress in preparing for the conference whilst [REDACTED] (a view that was shared by others). As to (ii), no such email could be located, although I did locate an email Mr Read forwarded from BEIS Partnerships to Ms Davies and Mr Foat about a Lead Reviewer opportunity. The topic was of interest to Mr Foat, so it was not unreasonable for Mr Read to have forwarded the email to him. In any event, the matter appears to have been progressed by Ms Davies alone.
45. Mr Read was neither disrespectful nor patronising towards Ms Davies in either of these examples.

Allegation 2.13

46. Ms Davies was treated differently from Al Cameron, Chief Financial Officer, in that the complaints about her alleged bullying were investigated externally, whereas the complaints about or involving Mr Cameron (and indeed another GE member) were investigated internally. She was not, however, treated differently from a further GE member, who was subject to an external investigation in respect of comments he was covertly recorded to have made.
47. Mr Read was, however, not involved in the decision to commission the investigations into Ms Davies and Mr Cameron to the degree that Ms Davies suggests. Mr Read was not involved in the internal investigations into grievances that were raised in respect of Mr Cameron's alleged behaviour; the People team is likely to have decided who would be appropriate to investigate those complaints. Whilst Mr Read may have suggested the appointment of an external investigator in respect of the complaints into Ms Davies' alleged bullying, ultimately the decision to appoint such an investigator was endorsed by Ben Tidswell, Senior Independent Director, who had oversight of the investigation.
48. In any event, the circumstances concerning the complaints about the alleged behaviour of Mr Cameron and Ms Davies were materially different. Two or three grievances were



made about Mr Cameron over a period spanning several years. That is quite different from the complaints made about Ms Davies, which were raised by six individuals, including to Mr Read, within quick succession, under POL's Speak Up process. Further, there are different considerations in investigating a CPO who is responsible for the People culture; a conflict of interest is more likely to arise if an internal investigation is carried out. Therefore, it was appropriate for an external investigation to be carried out in respect of the complaints into Ms Davies' alleged bullying.

49. However, it would be best practice for the Speak Up team to ensure, going forward, that there is a clear audit trail recording why, by whom and when any decision has been taken to deviate from the usual process.

Allegation 2.14

50. In respect of Allegations 2.10 to 2.13, the only ways in which I have found that Mr Read treated Ms Davies differently to others were that: (i) he became more circumspect towards her after the complaints were made to him regarding her alleged bullying (Allegation 2.11); and (ii) she was subject to an external investigation in respect of those allegations, whereas Mr Cameron was not, albeit Mr Read did not decide upon the appointment of the investigators (Allegation 2.13). The reasons for such treatment, which are set out above, were unrelated to gender in my judgement.
51. In any event, the evidence before me that gender played any role in Mr Read's behaviour towards Ms Davies more widely is weak and unconvincing. Ms Davies' suggestion, later parroted by Mr Staunton following his removal as Chair, was that Mr Read's military background resulted in a need to surround himself by "*white 'yes' men*". This has not been borne out by the evidence.
52. Whilst I concur that improvements could be made in respect of the diversity of the Executive team, there is some representation of women, and the Executive team and Board are alive to the issue. Further, Ms Davies did not appear to suggest that Mr Read's



behaviour towards her was discriminatory in notes and letters that she made at the time, which raises the prospect of whether she truly thought that to be the case.

Conclusion

53. In my view of my findings of fact and recommendations made above, and in light of the Terms of Reference, any next steps are a matter for the ISG.

8 April 2024

MARIANNE TUTIN
Devereux Chambers