



Department for  
Business, Energy  
& Industrial Strategy

Department for Business, Energy &  
Industrial Strategy

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Dear Mr O'Sullivan,

Thank you for your email of 10 October, regarding about boardroom pay for Post Office Ltd. I have been asked to respond on behalf of the Department. Please accept my apologies for the delay.

From our preliminary assessment, we believe your email contains an enquiry rather than a request for recorded information held by the Department for Business, Energy and Industrial Strategy (BEIS). Where a 'request for information' contains an enquiry, rather than a specific request for copies of information held by BEIS, we deal with such requests as a 'normal course of business' enquiry rather than a formal request for information under the Freedom of Information Act. This is in accordance with guidance from the Information Commissioners Office.

While the Post Office is publicly owned, it is a commercial business operating in competitive markets. The Government sets the strategic direction for the Post Office and allows the company the commercial freedom to deliver this strategy as an independent business.

Broadly, Post Office has the operational freedom to make salary decisions in the best interests of the business. For matters relating to senior pay, the remuneration policy is set by the Post Office Ltd's Remuneration Committee.

As part of its functions, the Remuneration Committee recommends to the Post Office Board the remuneration policy and any changes to individual elements of the remuneration packages for members of Post Office's Board. The remuneration of all Board members require approval by the Department for Business, Energy and Industrial Strategy (BEIS) as shareholder of the Post Office. Remuneration exceeding the threshold set in HM Treasury's Guidance for Approval of Senior Pay requires additional approval by the Chief Secretary to the Treasury.

In deciding whether to accept the recommendation of remuneration packages of Post Office's Board members, the shareholder takes account of the need to attract candidates with sufficient experience in the context of remuneration packages offered by the wider market.

Regarding Post Office's Annual Report and Accounts, company law requires Post Office to prepare the Annual Report and the financial statements. These are audited independently and presented to BEIS and Parliament. The Government is updated regularly on the performance of the business and has robust mechanisms in place to maintain oversight of the Post Office.

For further information on the relationship between Government and Post Office, please see the shareholder relationship framework document and Post Office's Articles of Association.

The framework document can be accessed here: [www.gov.uk/government/publications/post-office-limited-shareholder-relationship-framework-document](http://www.gov.uk/government/publications/post-office-limited-shareholder-relationship-framework-document). Post Office's Articles of Association can be accessed here: [corporate.postoffice.co.uk/secure-corporate/access-to-information/our-publications/](http://corporate.postoffice.co.uk/secure-corporate/access-to-information/our-publications/).

Thank you again for writing. I hope you find this information helpful.

Yours sincerely,

Nicholas Butterworth  
BEIS CORRESPONDENCE UNIT