


From: Alwen Lyons[/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=ALWEN.LYONS648EE5C4-F2A8-40E2-9F55-1B9B1E4F6D52]
Sent: Fri 23/05/2014 2:46:49 PM (UTC)
To: Chris Aujard [GRO]
Subject: RE: here are the draft minutes in confidence

Thanks
Alwen
Alwen Lyons | Company Secretary

 148 Old Street, LONDON, EC1V 9HQ

 [GRO] Postline: [GRO]


 [GRO]

POST
OFFICE

From: Chris Aujard
Sent: 23 May 2014 15:16
To: Alwen Lyons
Cc: David Oliver1; Belinda Crowe
Subject: RE: here are the draft minutes in confidence
And my comment are set out below as well....

From: Alwen Lyons
Sent: 23 May 2014 11:57
To: Belinda Crowe; Chris Aujard
Cc: David Oliver1
Subject: RE: here are the draft minutes in confidence
thanks

From: Belinda Crowe
Sent: 23 May 2014 11:55
To: Alwen Lyons; Chris Aujard
Cc: Belinda Crowe; David Oliver1
Subject: RE: here are the draft minutes in confidence
Comments from me but Chris will need to agree. We are going to be speaking shortly.
Best wishes
Belinda
Belinda Crowe
148 Old Street, LONDON, EC1V 9HQ

[GRO] Postline: [GRO]

GRO

From: Alwen Lyons

Sent: 23 May 2014 11:02

To: Chris Aujard; Belinda Crowe

Subject: here are the draft minutes in confidence

It's a bit smoke and mirrors but here are the minutes, comments asap please

| | | |
|-------------------------|-----|---|
| ACTION: | (a) | The Board <u>noted</u> the Chief Executive's report and discussed the |
| Mark Davies | (b) | following specific items: |
| ACTION: | (c) | SEPARTION |
| General Counsel | (d) | The CEO reported a meeting with Moya Greene CEO of Royal Mail |
| ACTION: | (e) | Group who was concerned about the separation of the two |
| Board Sparrow SC | (f) | businesses. To ensure any potential problems are understood she |
| ACTION: | | has asked David Ryan to have a look at separation in the context of |
| Belinda Crowe | | Business Transformation. Paula Vennells explained that the business |
| ACTION: | | may need a COO role whilst separation was finalised and was |
| General Counsel/ | | considering possible options for that role |
| Belinda Crowe | | NFSP CONFERENCE |
| Mark Davies | | The CEO told the Board that she had received good feedback from |

the NFSP conference and that the relationship was in a different place than last year. Richard Callard explained that the conference had challenged the Minister regarding Government Services work, especially DVLA and POCA.

CURRENT ACCOUNT

The Bank Of Ireland had agreed to extend the current account to an additional 100 branches, but the Business were asking for an additional 500.

BBC DOCUMENTARY

The Business had agreed the filming of a BBC documentary to be aired in the spring. The CEO recognised that any such work had an element of risk but the Business had been reassured by the editorial constraints negotiated by Mark Davies. The Board asked the CEO to ascertain if the broadcast could be timed for after the election. The CEO offered to circulate a brief and film trailer to the Board

SPARROW

Chris Aujard and Belinda Crowe joined the meeting.

It was reported that the draft executive summary of the Horizon Assurance Review prepared by Deloitte had been circulated to the Board. Chris advised that it was anticipated that the full Review would be available to the Business on Friday 23rd May and that he would circulate it to the full Board as soon as possible but only when he was satisfied with its drafting and the clarity of expression; it was agreed that he would escalate within Deloitte if he had concerns about the quality of the product. The Chairman stressed the importance of this Review and the need for it to give the Board assurance that there were (if that be the case) no issues with the system; the need for it to be written clearly so that it could be used to give assurance to a wider audience was also stressed. The Review would be considered at the next Board Sparrow Sub Committee (BSSC).

The CEO reported that she and the General Counsel had met Sir Anthony Hooper to understand his appetite for changing the scheme. Sir Anthony Hooper stressed that the Post Office had agreed to the mediation scheme and believed they now needed to let it run over the

next 12-18 months. With this in mind the Chairman asked the BSSC to decide whether there was an option to change the scheme, before the first case was mediated, which could be as early as the next 4-8 weeks.

The General Counsel explained that 10 cases, where the claimant is an existing sub postmaster, had already been resolved outside the scheme at very low cost to the Business. The team were continuing to identify (and were continuing their attempts to resolve) cases under the "business as usual" processes – this process included making settlement payments, where doing so was unlikely to set precedents or create problems with either the Working Group or the network. It was possible that the first case going through the scheme could also be settled prior to mediation.

The Board asked for a paper to the BSSC explaining the caseload, including the original number of cases, those already resolved outside the scheme and an assessment based on information available (as only 22 have been fully investigated) as to how many cases have so far been identified which could potentially be settled under "business as usual" without going to mediation. The paper should identify the number of criminal cases which Post Office is unlikely to agree to mediate and highlight how many applications in the Scheme cite issues which relate specifically to the Horizon system.

The CFO explained the cost to the Business of the Sparrow was running at circa £700k a month, excluding payments to claimants.

This expenditure was in line with the budget but still a challenge for the Business.

The Chairman asked that the next BSSC to consider:

- the options available for scheme
- how cases could be removed from the Scheme into BAU, based on a narrow definition of Horizon and how this would be explained to the sub postmasters and other stakeholders.
- the likely response from Sir Anthony Hooper, JFSA and Second Sight to any change
- PR scenario planning for all the options being considered