

**BEIS HSS STEERING COMMITTEE (STEERCO)**  
**MINUTES – TUESDAY 9 MARCH 2021 15:00 – 16:00**

SteerCo Members:

Carl Creswell – BEIS Post Office Policy Director and HSS SRO (Chair) (CC)  
Tom Taylor – BEIS Finance Director (TT)  
Patrick Kilgariff – BEIS Legal Director (PK)  
Tom Cooper – UKGI Director (Observer) (TC)

Other Attendees:

Nigel Boardman – BEIS NED and ARAC Chair (NB)  
Eleri Wones – BEIS Legal Advisor (EW)  
Eleanor Brooks – BEIS Post Office Policy Deputy Director (EB)  
Simon Morgan – UKGI Legal Advisor (SM)  
Ramona Jones – UKGI Assistant Director (RJ)  
Ross Gray – HMT, BEIS Spending Principal\* (RG)  
Joshua Scott – UKGI Manager (JS)  
Ed Baird – BEIS Senior Policy Advisor (Secretariat)

Apologies

\*Joshua Fleming – HMT Deputy Director, RG to deputise

**Minutes**

**Introduction, Minutes & Actions**

CC introduced the meeting. SteerCo approved the minutes of the meeting on 25 February 2021 with no comments.

CC provided an update on the actions, most of which were due to be discussed further during agenda items.

On POL's approach to ranges within *de minimis* claims, CC updated that officials had received written confirmation that POL's approach would not set a precedent for claims outside the *de minimis* cohort.

On the wording of the Settlement Letter, CC updated that the wording was agreed on 4 March.

CC also updated that since the previous meeting, the BEIS Permanent Secretary had written to HMT to respond to conditions set out in HMT approval of the business case, and BEIS were waiting for HMT approval on the underlying funding documents.

**HSS Finance Docs and Issuance of Settlement Offers**

JS introduced the item. On the issuance of Settlement Offers, JS updated that POL have around 100 ready to be issued but were waiting on the issuance of the Funding Commitment Letter before proceeding any further. TC also noted that the Funding Commitment Letter was among a suite of wider funding documentation that were all interrelated. CC and TC expressed concern about the risk of other outstanding issues such as the changes to branch definitions causing delay, but noted that it was a decision for POL Management and the Board regarding progress on Settlement Offers should other funding documentation be delayed.

EB updated that they had received comments from HMT on the Written Ministerial Statement and a 'Dear Colleagues' letter from Minister Scully. EB planned to submit to Ministers by COP 9 March and anticipated no major comments considering copies had been shared in advance. A grid slot would then be confirmed, which could be chosen after payments had started.

TC raised the Judicial Review (JR) in regards to timing of the funding agreement. PK responded that he thought that the JR should not be a reason for delaying progress.

### **Update on meeting with the Panel**

CC and TC gave a verbal update on their first meeting with the Independent Panel on 4 March.

The meeting was positive. CC and TC were reassured with the Panel's approach and experience particularly on their forensic accounting experience and their approach to fraud. TC noted a concern that it was apparent at the meeting that POL's approach was not as closely aligned with the Panel's approach. There was also the issue of Panel capacity.

CC noted that there were no decisions arising from the meeting to report back.

### **Update on HSS Monitoring**

RJ provided a verbal update regarding progress made on HSS monitoring arrangements. The first working level monthly monitoring meeting had been held between POL, BEIS and UKGI at the beginning of March. This meeting struck the right tone for future meetings but there were three key areas to continue to press POL on:

- i) Clearer timelines on the cohorting strategy, particularly around timelines for different cohorts to allow HMG to identify where potential bottlenecks might occur.
- ii) Further detail on the cohorts to understand the criteria for which claims being in different cohorts.
- iii) Resolution of the RFI issue.

NB pressed on the timing for the Scheme and expressed concern with the timeline slipping and lack of resilience in the operational aspects. NB particularly noted the issue around Panel capacity and where thought could be given to expand the Panel and/or identify Panel deputies as contingencies (for example if a Panel member fell ill).

SM and RJ updated that POL had set out some plans for resilience with a deputy arrangements being worked through for Panel members. The Panel were also looking at more frequent meetings to progress the Scheme faster.

**Action: UKGI to raise to the issue around Panel capacity and contingency plans with POL, and report back to SteerCo with fuller update.**

On delay to the timeline, SM noted that milestones provided by POL had already been missed due to a difference in approach between the Panel and POL on the RFI issue.

PK reiterated the point that HMG need the right level of project information to be able to determine whether the Scheme is on track and being delivered successfully.

TC commented that questions on overall timing are challenging as a lot depends on the approach with the early cohorts. SM added that it seemed that the Panel were expecting to

invest more time upfront on RFIs to enable the Scheme to move much more quickly after resolving the early batch of claimants. TC expressed concern over spending too much time discussing approaches at the expense of delivering the Scheme.

CC noted that HMG should keep pressing POL on the issues discussed and using levers such as the Minister Scully letter to Nick Read to land messages.

## **Risk**

EB updated that POL had shared an extract of its risk log summarising what it believes are the key risks and mitigations for the HSS. EB asked for any thoughts on the risk log.

TT requested RAG ratings to quickly identify the significant risks and asked whether there was sufficient honesty on timescales given SteerCo's concern over the Scheme's timeline. EB noted that risks around funding in 2022/2023, the risk register was particularly 'POL centric' and the Inquiry might want to be included. CC was generally happy for SteerCo to give challenge and suggestions but should avoid micro-managing. **Action: EB to feed SteerCo comments on risk register back to POL.**

EB also noted that the Working Group is developing its own risk log to monitor at a working level. EB suggested keeping the risk log at working level and only escalate to the SteerCo as and when necessary. **SteerCo members agreed with this approach.**

## **Upcoming Quarterly Review**

RJ introduced the item and asked for views on the timing and structure of the first Quarterly Review meeting.

**On timing, SteerCo discussed and agreed that 23 March would be preferable to a meeting in April.**

On structure, NB requested a discussion on whether POL had sought advice in relation to claims against third-parties for example Fujitsu, employees etc. TC said that POL had sought legal this advice on this issue which could be shared with SteerCo and discussed at the Quarterly Review.

**Action: UKGI to ask POL for any updated advice regarding claims against third parties, and to ask POL to prepare to potentially discuss this advice at the upcoming Quarterly Review.**

## **AOB**

CC noted that Nick Read had written to Minister Scully over BEIS's role in the delivery of a scheme for criminal cases.

CC set out his view that BEIS and UKGI do not have the capacity nor capability and would struggle to build this sufficiently. Furthermore, POL holds the relevant information and there would be difficulties in a third party managing a scheme without direct access to the information. There was also a point that it would be more appropriate for POL to continue to have ownership from a moral perspective over resolving their past issues. NB built upon these points and added a concern that accepting Nick Read's proposal could create a precedent to other partner organisations. TT also added that direct involvement in schemes would remove the 'firebreak' for Ministers which can be important protection.

SteerCo discussed POL's governance of the HSS which did not appear to be working as effectively as possible. NB suggested a sub-committee of the POL Board with sufficient

expertise to deal with litigation issues. This would free up the POL Board to manage business priorities more effectively. TC said that this was discussed but was not taken forward due to past experiences of a sub-committee model being used during the group litigation.

CC set out his handling plan for Nick Read's letter. CC's suggested approach was to put initial advice to Minister Scully with the briefing for the Nick Read meeting on 15 March. This would allow Nick to raise this with the Minister directly in the meeting. A written reply would then be sent from the Minister to Nick Read following the meeting. This letter would also be an opportunity for the Minister to include points on MPM and the decision on the interest rate issue discussed in previous SteerCo meetings. **SteerCo members agreed with CC's handling approach.**

NB raised the Holliday report (the NDA Magnox Inquiry) and asked about any lessons SteerCo should be aware of. CC noted that he felt comfortable that no changes were needed as a result of the report. TC also noted that a number of the lessons learned and recommendations from the interim report had already been incorporated into UKGI's engagement with POL regarding litigation matters.

CC thanked members for their time and noted the next meeting on 23 March 2021.

#### Table of open actions

Action #	Action	Owner	Status
<b>9 February 2021 Meeting</b>			
4	POL HSS provision – UKGI to continue testing the robustness of POL's model. Once a position is agree, UKGI to update SteerCo.	RJ	Update 9 March - UKGI is currently testing POL's model, based on provision figure of £153m. Once the model's capability is tested and deemed fit to support our monitoring process, UKGI will update SteerCo.
<b>9 March 2021 meeting</b>			
1	UKGI to raise to the issue around Panel capacity and contingency plans with POL, and report back to SteerCo with fuller update.	RJ	NEW
2	Feed SteerCo comments on risk register back to POL.	EB	NEW
3	UKGI to ask POL for any updated advice regarding claims against third parties, and to ask POL to prepare to potentially discuss this advice at the upcoming Quarterly Review.	SM/RJ	NEW