

Briefing for Paula / James Arbuthnot meeting

1. Introduction

1. The purpose of the call is to discuss how we can bring the Horizon investigation to a conclusion before summer recess. (THIS IS NOT THE OPENER FOR JAMES)
2. As you know this has gone on much longer than anticipated and I think we can bring it to closure soon. (AGAIN THIS SOUNDS AS THOUGH IT IS JUST INCONVENIENT FOR US. WE CAN'T START WITH THIS TONE. WE NEED TO STRESS THE PUBLIC MONEY POINT AND THE POINT THAT THENSPOT REVIEWS ARE NOT INDICATING SYSTEMIC DEFECTS.

2. Speaking note

Needs to start with clear statement that PO has been and is keen to explore any issues, that we propose second sight, that we have faith in horizon but understand and support the need for confidence. Concerned however that the inquiry is showing signs of mission creep into areas within are out of scope and not relevant to the issue which James is most concerned about - any defects in horizon.

We also have to have regard for use of public money. Danger of this spiralling in an uncontrolled way,

1. In discussing this with Second Sight, I understand that you have suggested that they focus on **two to three MP cases – and report back by the summer recess**¹..... I support that approach, it will help bring things to a timely conclusion. (I THOUGHT WE KNEW THIS FOR CERTAIN?)
2. In addition, to ensure we get closure in the summer, can we also be clear on the question we are asking Second Sight to answer, looking at the terms of reference, to me the key question is: **have systemic defects in the Horizon system resulted in the wrongful conviction or suspension of sub postmasters.**

NEED TO SEPARATE OUT THESE TWO THINGS

1. We are also expecting Second Sight to report back on **improvement areas WHICH ARE OUT OF SCOPE BUT WHICH OF COURSE PO WANTS TO ADDRESS** we have already started making changes from the lessons we have gained, we will also take on board the improvement areas identified by Second Sight.
2. We have discussed the above three points with Second Sight, and they are happy to adopt this approach, and are looking for you to give them this direction.
3. In addition to this, can we agree that if the two to three cases show that there are **no systemic issues**, we **close the investigation at that point**. (DECOUPLE) Obviously the improvement plan we put into place will go beyond that date.

1. Stakeholders

1. Taking this approach will mean that some stakeholders may be disappointed. (SUGGEST WILL NOT BE SATISFIED RATHER THAN DISAPPOINTED) I suggest to discuss how to resolve at a face to face meeting. But, in summary I think we *can* address this, for example:
 1. **MPs.** We can work with you to manage the expectations of the MPs whose cases are not in the 2-3 selected. For example we can have Second Sight take them through the details of their cases (ONLY IF WE ARE THERE TOO)
 2. **JFSA.** The JFSA may not be happy with this approach. We can discuss how best to manage JFSA, but maybe we have to accept that no matter what we do they will not be happy unless systemic issues are found, nonetheless I would like to see if we can positively engage with them.
 3. **Media.** I suggest we work together to manage the media interest that will no doubt be generated when the report is produced.

2. Conclusion

1. To me James, it is really important that we get Second Sight to focus on bringing this to a timely conclusion
2. Are you OK writing to them to confirm the points we agreed?
3. I will set up a meeting for two to three weeks time to discuss progress and how we can help manage stakeholders

¹ The letter came to us via Second Sight, not from James, so we can't refer to it directly.

Background

- When Post Office commissioned Second Sight the expectation was that the investigation would review a small number of MPs cases (6 to 12 cases).
- MPs have now submitted 29 cases and JFSA have submitted about 20 cases.
- It is unlikely that the investigation, no matter how long it runs, will conclude anything definitive; as the remit has become blurred, different stakeholders have different expectations, and the evidence is open to interpretation.
- There is currently no defined point at which the investigative process will end.
- To date the investigation has cost £180k. At the current rate of spend, by December 2013 the cost will be £500k, by next July the cost will be £750K. This is public money.
- Second Sight are focussing the investigation on **Automated Reversals** ie, does the system automatically reverse, or change transactions without sub postmaster knowledge.
- Spot reviews:
 - Second Sight put allegations to Post Office in the form of "Spot Reviews". Post Office has responded to the first four spot reviews (received in March) and is responding to the next batch of spot reviews (five, received in early May). WHAT ARE OUR RESPONSES? THIS SHOULD ALL BE PART OF THE MAIN BRIEF
 - We have received positive feedback from Second Sight on the quality of our responses to the spot reviews (we can make them available to James if he wishes).

- JFSA have responded negatively to our responses. We are organising a meeting with JFSA to discuss this. NOT APPROPRIATE UNTIL SECOND SIGHT INVESTIGATION IS COMPLETE
- Second Sight would prefer Post Office to adopt an iterative approach to spot reviews. Post Office has adopted a methodical approach to ensure our facts are correct and we clearly articulate them.
- Defects/bugs/glitches in Horizon. Post Office is **not** saying Horizon is free from defects. All large systems of this nature occasionally encounter problems. We are confident though that no sub postmaster has been wrongly convicted or suspended due to Horizon defects. THIS IS FUZZY - WE SHOULD NOT USE THE WORD DEFECTS. WE ARE TALKING ABOUT TWO DIFFERENT THINGS - IMPROVEMENT AREAS IN A SYSTEM AND SYSTEMIC DEFECTS. V different