

**FILE NOTE
SECOND SIGHT MEETING
30 SEPTEMBER 2014**

Attendees

Chris Aujard (CA)
Belinda Crowe (BC)
Rodric Williams (RW)
Andrew Parsons (AP)
David Oliver (DO)
Ron Warmington (RW)
Ian Henderson (IH)
Chris Holyoak (CW)

CA opened the meeting setting out the agenda that we would follow:

1. Rate of delivery
2. Second Sight's cost proposal
3. Second Sight's work product
4. Second Sight's engagement

Rate of Delivery

CA set out his concerns about the rate of delivery of Second Sight's reports. Second Sight had consistently assured the Working Group that they had been delivering three cases a week and he had passed on that assurance in good faith to the senior team at Post Office. To discover, having analysed the figures, that the actual delivery rate had been 1.4 cases a week was unacceptable and well below the three a week Second Sight had both committed to and said they were delivering. Indeed, even taking account of last week's improved production rate the average delivery rate is only 1.9 a week. Extrapolating these figures, if Second Sight's productivity does not improve the Scheme will continue for substantially longer than Post Office expects it to, or is prepared to accept. CA explained that this situation needs correcting

CH responded for Second Sight. He acknowledged that productivity was lower than they had hoped and that they had not met their own targets. This was due to a number of factors, primarily the training of new staff and the completion of the Part Two report. With Part Two completed and the new staff up to speed they were now working through a recovery plan which would see them produce five reports a week until the end of October to clear the backlog and thereafter, from the beginning of November would be able to deliver three cases a week. They did not consider it possible to maintain five cases a week as they anticipate that a number of the more challenging cases would be coming through later in the Schedule. CH explained that this rate of productivity would include turning round any final reports within approximately a week of receiving comments on the draft CRR.

RW emphasised that he was confident that this level of production could be maintained.

CA asked, and Second Sight agreed, that should there be any indication that the delivery rate of five cases a week until the end of October and the three cases thereafter was not being achieved that Second Sight alert Post Office and the Working Group at the earliest opportunity.

Second Sight's costs proposal

CA acknowledged Second Sight's cost proposal of £3500 a case but explained that this was substantially too high. He explained that Post Office was challenging costs of all its suppliers across the business. Post Office had undertaken its own some cost modelling based on a review of Second Sight's billing data and considered £2,500 per case to be more realistic. RW explained that Post Office's analysis showed that, excepting a small number of early cases SS were now producing reports at a cost substantially below £3,500.

IH explained that the work was far more complex than anyone had envisaged at the outset and that the originally published timelines of three months for both the Post Office and Second Sight stage of the process had, with the benefit of hindsight, been unrealistic. It was taking Post Office longer to investigate cases than originally envisaged and the fact that Second Sight were producing reports more slowly was not unexpected. The fixed fee proposal was Second Sight's best guesstimate of their current costs and an assessment of what the future costs might be. The £3,500 cost per case also included an element of overhead, for example attendance at meetings, which could be stripped out and billed separately. However Second Sight did not feel they were in a position to move to a flat cost per case of £2,500 or even close to it.

CA explained he did not anticipate that he would get financial sign off for any fixed cost per case in excess of £3,000 and therefore asked Second Sight to consider that in a revised cost proposal.

CA and Second Sight agreed that Second Sight would reconsider their proposal in light of the discussion and revert with a proposal which might include a separation of draft and final reports and some overheads but would have the net effect of driving down monthly costs overall. The proposal could contain a mechanism for, with prior agreement, additional costs for exceptional cases and include an estimate of the monthly costs going forward.

Work Products

RW raised the issue of the work Second Sight was engaged to perform. He thought that some MPs and, in particular, James Arbuthnot, may consider that they are able to approach Second Sight to undertake work relating to their constituents. RW referred to briefing notes he possessed from June 2012 where this was discussed. CA explained that as far as Post Office is concerned Second Sight is engaged only to undertake work relating to the Scheme. Further CA explained that Post Office would not pay for any work Second Sight did outside the Scheme and the letter of engagement without prior approval.

CA and Second Sight agreed that in the event that James Arbuthnot or any other MPs were to approach Second Sight to undertake work outside of their terms of engagement for the Scheme, Second Sight would invite the requestor to write to Post Office (via the CEO) so that the matter can be considered. It is not appropriate for Post Office to fund work which it has not been commissioned and agreed.

There was a brief discussion of the briefing notes (June 2012) that set out the components of "job 1". It was agreed that these had been overtaken by the Scheme. If they were revisited by MPs it was agreed that they should be encouraged to contact JA and he could raise this with PV/AP.

Manner of Delivery

CA raised the issues that had been experienced with the manner of SS engagement on recent issues including the Part Two report which he felt had been embarrassing. He explained that he did not expect to see a repetition of such behaviour and that in future we must have a closer and more collaborative relationship. It was agreed that fortnightly calls should be instituted between the POL team and the SS team to discuss scheduling and also any other issues (such as an emerging thematic issue) which were of concern to ensure that there was no repeat of the situation with the Part Two report where SS published a report containing information which was incorrect. It was noted that the Part Two report would need to be updated and the fortnightly calls would provide a good forum to discuss this. RW agreed and commented that he felt the approach had moved from one of searching for the truth to one of litigation and that this was not positive.

ACTIONS

1. Fortnightly meetings to be scheduled between Post Office and Second Sight – **INVITES SENT**
2. Authorisations for new SS staff to be provided along with copies of confidentiality agreements - **COMPLETE**
3. Second Sight to provide revised financial proposal – **COMPLETE BUT NOT YET AGREED**