



# Options for the Scheme

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# Update

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- PO met MPs (James Arbuthnot, Oliver Letwin, Mike Wood, Andrew Brigden) and JFSA (Alan Bates)
- Their demand – agree to mediate all cases where Second Sight recommend mediation
- Their threat – succumb to pressure and speak to the media
- Our response – will think about it



# Challenges: Part I

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- Breaches of confidentiality and media threats
- Non-participation of POL's main interlocutor (JFSA)
- Second Sight Reports – quality and default recommendation (mediate in almost all cases)
- Expectations gap – total claims in excess of £65m
- Appropriateness of mediation – cause of loss plain and/or criminal case



## Challenges: Part II

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- POL culpability assumed and embedded in public narrative
- Changing target – Horizon integrity established, new fronts opened
- Challenge to business model – SPM contract in particular
- Political prize sought is likely large scale scandal
- How to contain damage from spreading across Network



# Moving forward: Options

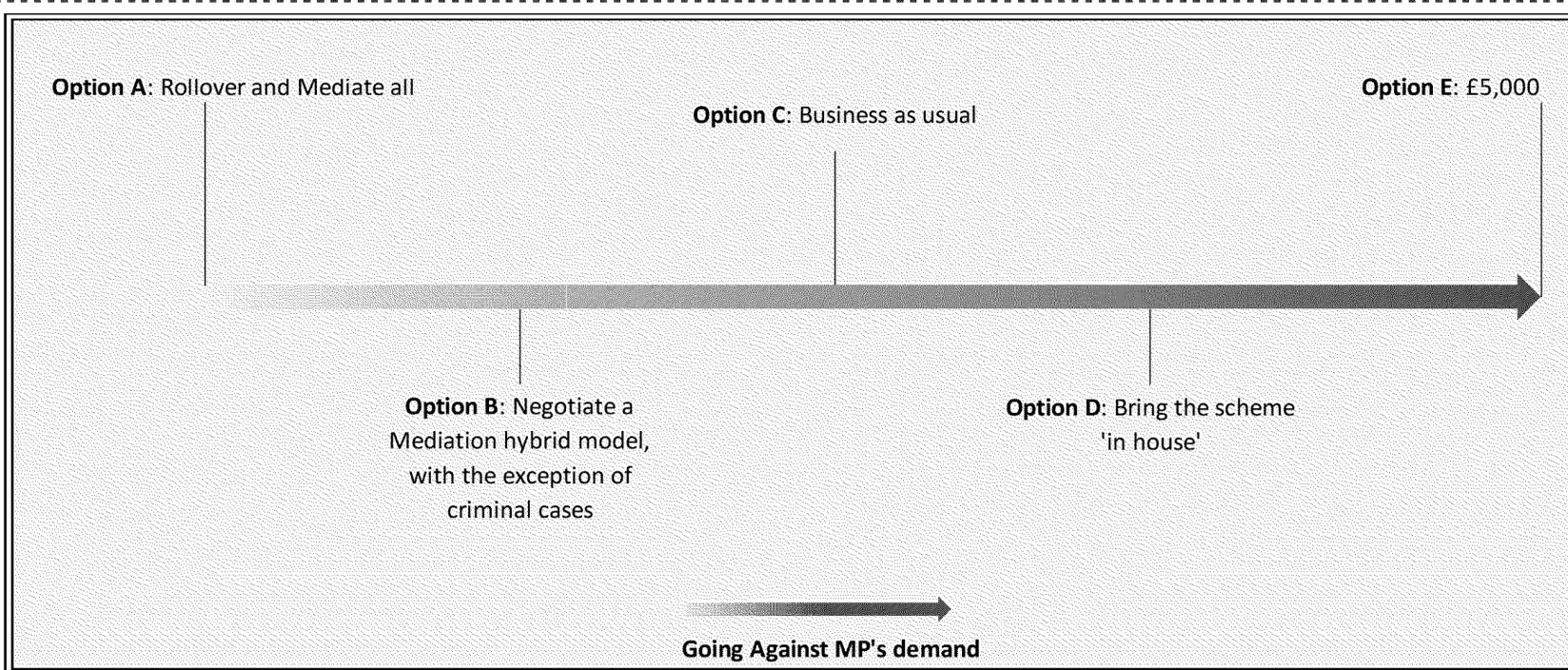
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- Time for a stocktake?
  - Open minded approach to options – nothing off the table
  - Full range considered on a graduated basis
  - Imperative to accept that there are no good outcomes
  - Question is nature, duration and cost of pain only





# The Spectrum



# Rollover

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- All elements of current scheme
- WG apparatus and process maintained
- POL pre-agrees to mediate all cases, including criminal cases



# Negotiated process

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- Accept Rollover but negotiate caveats to limit risk/cost
- Seek to exclude criminal cases from mediation and/or
- Seek to introduce possibility of discussion (as opposed to formal mediation) in some or all cases





# Business as usual

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- Scheme continues unchanged – including all meetings, processes and apparatus
- POL approach and positions on cases maintained, mediations scheduled
- ToRs adhered to per Board direction (Summer 2014)



# Scheme 'In House'

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- Announce Scheme will be brought in house
- Final investigation complete (22/12) and mediate as desired
- Defend against any resulting litigation as BAU





# Payout

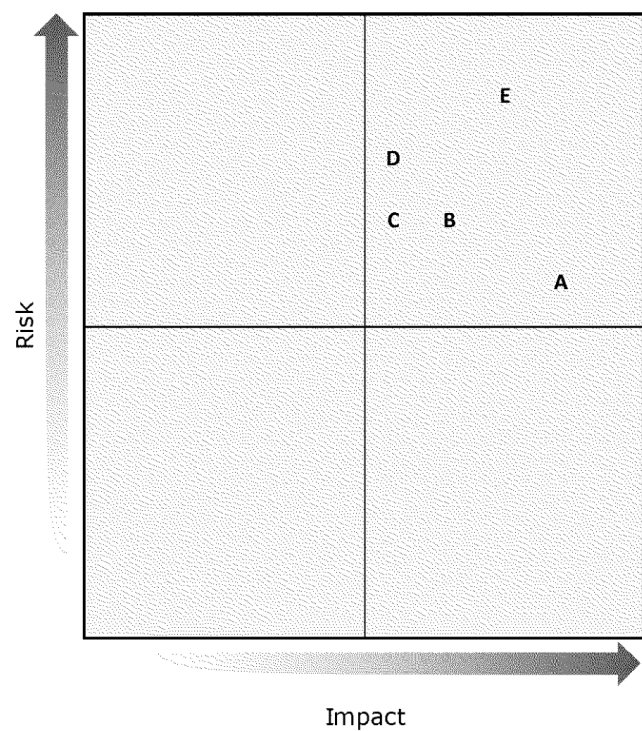
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- Offer all Scheme Applicants a payment (£ quantum ?)
- One time only in return for relinquishing of all/any claim against POL
- Defend any litigation from those that refuse as BAU

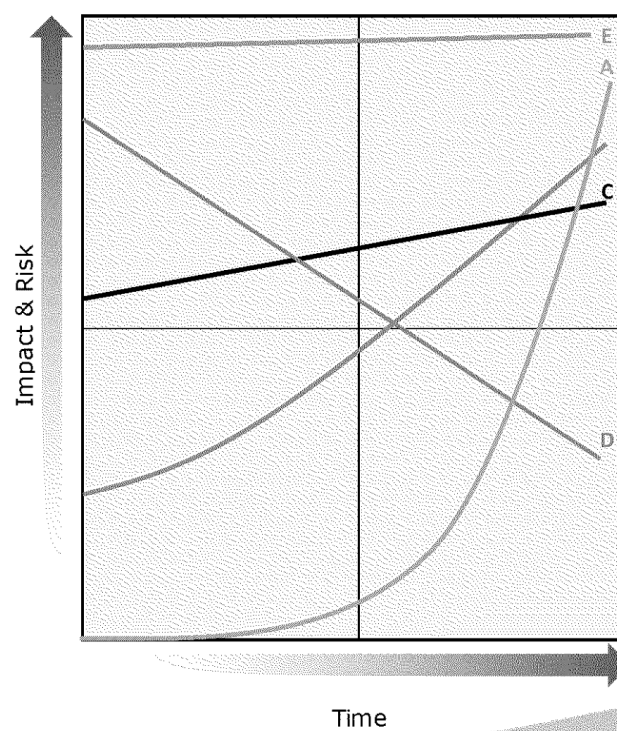


# Impact & Risk Matrix

High level Risk / Impact Matrix Snapshot by Scenario



High level Impact and Risk over time Matrix by Scenario





# Recommend

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- Carry on as we are:
  - We expected this – its happening
  - Not pleasant but manageable
  - If we concede it will never end – we are beyond faults with Horizon
  - Concession puts the whole business at risk
  - We have the other SPMRs/staff and customers to consider



# Handling - Assume BAU

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- MPs:
  - Meet Oliver Letwin to explain our position – next week
  - Write and confirm we will not change our position – next week
    - ? *Do we send an interim response to JA? – end this week*
    - *Letter written with a view to publication*
    - *Robust 'have considered but not prepared to change'*
  - Copy letter to those MPs present and JFSA





# Handling

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- Chair
  - Explain POL's decision
    - Note: Chair not likely to respond to media but will not defend POL
    - If pressed, would be more anti than pro PO
- Working Group
  - Continue as usual
  - If JFSA leave we:
    - Issue statement of disappointment but carry on investigating
    - Consider the implications for the Scheme and will respond **when** we have carefully considered our position



# BIS

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- Update at official level – this week
- CEO update Minister 27 November
- Key messages:
  - Will support minister if raised politically
  - Acted in good faith at all times
  - No problem with Horizon
  - Cannot respond to threats
  - Never enough, threatens our business model
  - Can handle the media fallout



# Media prep

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- Short statement:
  - Disappointed some have decided to speak publicly
  - We will not comment /provide running commentary
  - We set up scheme in good faith – working as anticipated
  - Must be allowed to run its course
  - No fault with Horizon





# What we can expect

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- More Fol
- PQs
- Debates
- Leaks
- Unsubstantiated allegations
- Continued media speculation
- Poss legal challenge – individual/group/JR



# BUT – WE CAN MANAGE THIS

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- Not front page news
- Not a story with longevity
- We have acted in good faith
- More good news than bad news stories about PO
- No fault with Horizon
- No unsafe conviction



# LONGER TERM

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- Refreshing JR advice in light of:
  - where we are now
  - where we might be if MPs/JFSA go public – eg:
    - JFSA leave the Working group
    - Applicants withdraw en mass
    - Legal challenges (individuals attempt to sue rather than mediate)
- Ready to return to ExCo/subcommittee should it be possible/necessary to reconsider approach

