POL00115879

Briefing for Paula / James Arbuthnot call

KEY OBJECTIVES FOR CALL

JA to write to 2nd Sight confirming a clearer terms of reference for the review:

i. First stage process looking at 3 MP cases to report by summer recess

ii. Second (and final) stage reporting by end October – this will encompass all existing MP cases which have sufficient evidence for 2nd Sight to investigate (so excludes 15 cases)

iii. No new cases to be added to the review – we will take these forward as part of new review process, personally overseen by Company Secretary

iv. Primary focus of review needs to be on investigating whether there are any systemic issues with Horizon. Post Office will respond to wider process improvements, but there can be no confusion between the two issues in the final conclusions.

SPEAKING NOTES

Introductory points:

- Thank you for agreeing to the call, especially so soon after you return from Defence Committee business.
- I thought it would be good for us to touch base about the review and ensure we have the same opinion on how to bring it to a conclusion. I know we share the same aims and I want to reiterate the Post Office's commitment to this process. I am grateful to you for the way you have supported it, and for making this clear.
- As you know Alice and I are very keen to ensure that this independent review gets to the truth about the allegations raised against Horizon. If there are systemic issues with the system then we will of course take steps to address them.
- We, like you, want this review be finished in such a way that we can quickly respond to any findings.
- It has taken longer than either of us thought and we always have to have a regard to the best use of public money.

The current situation and proposed way forwards:

- Key issue is that to ensure the review process is brought to a satisfactory conclusion **2nd Sight need greater clarity over the scope of the review** in terms of: i) the number of cases; and ii) the primary issues under investigation (systemic Horizon failures vs wider process improvements).

i) Clarifying the scope of the review of terms of number of cases

- As you will be aware, Second Sight currently have 29 MP cases and 20 cases leading to 27 spot reviews (themes from JFSA)
- We understand that you have suggested they focus on **3 of these MP cases to bring them to conclusion including a report before the summer recess.** I think this is an **excellent idea.**
- However, from our discussions with 2nd Sight it would appear that they are waiting for a clear confirmation from you that this is the approach you want them to take (rather than a more open-ended review designed to keep the JFSA on board). **Please can you write again to confirm this approach?**

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- The **other existing MPs cases could still be reviewed by 2nd Sight where they believe there is sufficient evidence**. They say they could complete this work and produce a final written report by the **end of October**. However, they have also indicated that around half of the 29 MP cases do not have enough evidence for them to take forwards as part of their investigation. [*NB 2nd Sight haven't told James this yet so it will be somewhat unwelcome news.*]

- To enable a final report by October we need to **stop new cases coming into the review or we will never finish.** New cases are still being submitted - 2 more this week. I would therefore suggest we need a different process for new cases coming forward.

- We already have a review process in the Business and I think we need to **incorporate the new cases into this process but with my personal assurance James that there will be a new senior management oversight. I would suggest cases come into our Company Secretary who will give them this rigorous oversight.** We would communicate with MPs as we assess each case.

ii) Clarifying the primary issues under investigation

- The other point it would be helpful for you to **reiterate with 2nd Sight is that, first and foremost, their review needs to focus on whether there are any systemic issues with the Horizon system itself.**

- Through the review process 2nd Sight have of course identified a wider set of process improvements. While this goes beyond the scope of the original enquiry, we are grateful for the feedback. I can assure you we are already responding to these issues as they arise. If you would be interested I can ask my team to brief you separately on this – there will be a package of measures we wish to take to improve training and processes.

- I understand that 2nd Sight may want to make reference to these process improvements in their final report. We are not particularly comfortable with this, but if you agree they should cover such issues **there needs to be absolutely clarity that these are distinct from questions around the integrity of the Horizon system itself - otherwise it could lead to confusion and misleading media headlines, to the detriment of public and sub-postmaster confidence.**

JFSA handling

- I am of course hoping that the review will find no systemic problems with Horizon but I know we need to a build relationship with JFSA and Alan Bates. My thoughts are that he would be good person to have on a **Horizon User Forum which might meet quarterly and help raise issues to the business.**

- **Can I suggest that I ask Alwen to contact Janet to organise a meeting after recess so that we could discuss this point further?** It would also be good to consider the other stakeholders for the review and how they are likely to respond to any report.

Summing-up

- The proposed approach would mean we get (a) findings on the three selected MP cases by summer recess; and (b) a full report on all the cases it is possible to consider by the end of October

- This seems to me to be a good way forward. You will appreciate that we do need a cut off. With a business as complex as that of the Post Office there will always be cases, whether caused by systems or processes, where questions are raised. This is a vast business dealing with almost 20 million transactions/customers every week.

- It is right that we take steps to investigate such cases. We do so thoroughly and I can assure you that we would continue to do so as business as usual. These issues are very important to us.

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BACKGROUND: STAKEHOLDER GRID (NOT FOR JAMES AT THIS STAGE)

Stakeholder	Response	Recommended approach
MPs	May not be satisfied that their cases were not included in the review	Meeting with each MP, 2nd Sight/ or 2nd Sight and Post Office to take them through the details of their case. Note: not all cases have provided enough detail to enable a thorough review, however we could talk about findings in similar cases
JFSA	JFSA may respond negatively and could withdraw support. They could take their views to the media.	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 JFSA: Post Office could invite JFSA to become part of a Horizon user group. We could ask JFSA on an on-going basis to help us identify which new cases warrant further investigation as sub postmasters report issues in the future., although this would not be through 2nd Sight.
Media	Any findings will generate media interest, we have to be prepared with our proactive messages before the report is published	We should work together to ensure our communication messages are aligned and reflect the good work that has gone into this investigation.