POL00154340

From: Alisdair Cameron[GRO]
Sent: Tue 16/10/2018 6:51:04 PM (UTC)
To: Paula Vennells[GRO]; Jane MacLeod[GRO]; Mark R Davies[GRO]
Subject: Re: Tomorrow's GLO meeting

Thanks Paula.

As the main user of hyperbolic language, here and elsewhere, I completely agree - not helpful in this context. But also, I have been using it less in this space because we have made a lot of progress in understanding the issues so we haven't needed it. Not complacent, but clearer eyed, with thanks to Jane and Angela.

For my bullets, I would suggest
1. As a result of the GLO, and the need to prove we can rely on our Horizon branch system, postmasters know we are less likely to prosecute. We have therefore seen an increase in theft and loss and a reduction in recoveries over the last 2 years.
2. We are continually evolving our ability to reduce this headwind, better, more automated fraud analytics - we are right 81% of the time now - more auditors, etc. We are finalising plans to increase the speed and clarity with which we try and identify the reasons/timing for losses and share them with auditors and agents. This is the right business response which also directly addresses one of the contractual interpretations being challenged - that we should explain better before suspension. It will also help us manage a more general deterioration in behaviour.
3. Depending on the exact nature of any loss at trial, we will be ready to bring further resources to bear, make changes to contract terms and start rolling out additional equipment like behind the counter CCTV. However these are longer burn changes.
4. We are not complacent and recognise that behaviours can be unpredictable, The direct financial losses of a general deterioration could be challenging but we would expect them to be manageable within our usual ways of working. However, protecting the money could require us to continue to close or temporarily close more branches - we closed 111 last year - which could start to put the 11,500 branch target under pressure (but not general access criteria or SGEIs).

Thoughts and suggestions?

Thanks Al
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From: Paula Vennells
Sent: Tuesday, October 16, 2018 6:41:19 PM
To: Jane MacLeod; Alisdair Cameron; Mark R Davies
Subject: Tomorrow's GLO meeting

Without wishing to be parent/child but not wanting to leave anything to chance: can I suggest that you each prepare a brief of 3 bullet points that we want to land related to your areas.
This should not be longer than a side.
If you can, circulate overnight, if not we'll meet at lunch time to compare notes and check we're ok.

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Again sucking eggs etc - not always easy as I know too well - let's try to watch the language we use. For instance, let's say 'not turning out how we anticipate' rather than 'going wrong, or backfiring'; we say 'we have to continue to manage the millions of £s of network cash well' not 'there'll be millions of £s at risk'.
Neutral and balanced statements help take the sting out of the risk, which avoids panic.

I may be asked to kick us off. This would be my starter for ten. For comment/improvement please:

Explain context and our tone throughout:
Empathy but honesty: there are people (PMs) who have unfortunately suffered badly. For many reasons (and as far as we can see not IT related) but principally, because they got out of their depth. Money disappeared. Most lost their jobs. Some were prosecuted for theft, fraud and false accounting. We are a business that values our postmasters and their staff and of course we are sorry that people suffered. But what we cannot do is to allow dishonesty to prevail, even if the situations are in some cases tragic.

Summary of our position to date:
1) resolution: although none of us would wish to be dealing with a GLO as part of our jobs, in one way we are looking forward to getting the other side of it, so that the Post Office can focus on what it is good at - serving communities and protecting local economies. The Banking framework being the latest example. Some of these claims against the PO go back 20+ years and it will be good to get a way forward. But, we want to be clear that we will appeal, if we believe a judgement is fundamentally flawed.
In getting to resolution we are supported with 2 capable QCs, a firm of lawyers who understand the complexity well, and in the pre-trial skirmishes, they have won 1 and lost 1. This will be a difficult case but one we believe is worth defending; we are supported by the Board and our Chairman has set up a sub-committee to ensure oversight. Would we consider mediation - yes of course, depending on the outcome of the Common Issues trial and the IT hearing in March.

2) operations: our objective is to ensure communities continue to be served, the Post Office is a vital service for millions of people and it is run by committed and honest staff. We have worked up contingencies for various outcomes of the CI trial. Even if post-judgement, we appeal some, the interim period will need care: we need to continue to manage the £ms of network cash as well as we do today. We will keep these plans under review - one thing is sure, they will change. Also worth saying that although a majority of PMs/their staff had no problems over this 20 year period, we have of course improved and continue to improve ways of working. The CI trial itself has highlighted further opportunities that we are already investing in. Digital technology makes this easier across 11600 locations.

3) communications: it will be 'noisy' with fake news and focus on the emotional - lack of trust and on the tragic. We will engage at every stage - but we will do so carefully. It is unlikely our angle will dominate. But we will challenge every example of biased reporting. We will never say nothing. On social media that will be harder. We will not perpetuate unhelpful arguments, we will make our case but not 'add oxygen' by getting into debates. We will not counter or comment on individual cases and stories during the litigation. We are investing at the same time in other campaigns to bring balance - again the banking framework being one. Internally and with key stakeholders we will brief individually and make sure our colleagues and stakeholders understand our approach. We will keep the unions close but expect they will want to use the situation to their advantage from time to time.

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