
From: Thomas Cooper [GRO]
Sent: Wed 05/06/2019 8:02:31 AM (UTC)
To: Alisdair Cameron [GRO]; Watts, Alan [GRO]; Ben Foat [GRO]
Subject: Re: Legally Privileged - GLO sub-committee

Thanks Al.

I'm also trying to make sure that people here are aware that disclosure in the accounts of any numbers could have significant implications for the ultimate cost and also trigger potential requests for comfort from BEIS. It would be a bit of an own goal if we put out a number (which must always be highly speculative given what we don't know about the claims) for that to represent a floor for a settlement and also the catalyst for a going concern issue in the accounts.

In terms of PR Al, I've got a somewhat radical proposal. You could also think about drafting a press release to go out after the horizon judgement which acknowledges that some (not all) of these cases might have merit and POL intends to settle those cases as expeditiously as possible in the interests of affected postmasters who in many cases have waited a long time to have their claims accepted and receive compensation. It could also talk about what information is still missing that hampers your ability to assess many of these cases. The point of the draft isn't necessarily to actually issue it but to show intent to Ministers that the direction of travel really has changed. Obviously you should be prepared to put it out if Ministers and the Perm Sec like it and it isn't vetoed by the lawyers.

Tom

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From: Alisdair Cameron
Sent: Tuesday, June 4, 2019 6:40:02 PM
To: Watts, Alan; Ben Foat
Cc: Thomas Cooper
Subject: Legally Privileged - GLO sub-committee

Alan, Ben

We need to use the GLO sub-committee next week for a variety of things, as discussed, including preparation for the Ministerial meeting with Kelly Tolhurst.

There is understandably real disquiet about the litigation in terms of cost, brand damage and whether we have a grip on it. The failed recusal makes us look as though the change rhetoric was just that.

We do need to find a way of landing the degree of change and also explain the logic of the recusal, without getting left in the historical limbo.

Most importantly, we need to set out a strategy where settlement in now Plan A and a good bank/bad bank split may be the right choice for further, historical claims. It is important that we take them through the challenges and costs which are split between

- This case
- The likely future litigation or other historical claims

- The cost of managing the business differently
- The implications and super-costs if we had convictions overturned by the CCRC

A clear timetable of decisions and windows and preferences will be critical to the documentation. I am anxious that privilege may not survive contact with a political process so can you agree how we share – is it just in the room and verbal, in the room and content destroyed or pre-read?

We are going to have to do numbers, without creating anything that we are not happy putting into the accounts. We could do a table covering legal fees, payments, further claims etc.

One approach would be to start with the original Plan A – 5 trials, numerically reduce the claimants through over 6 years, full settlement etc, possibly pay something for suspension and limited other impacts – say £40-50m from now?

Then the cost of settlement, adjusting for the Judge's likely perspective and also a cost plus model for the claimants.

Then the costs of historical and follow on claims

Then the critical issue of how we run the business and what it looks like if we shift burden of proof to us

Then the super costs if convictions are overturned or we are found to have damaged people.

Then we will need to do some rapid high level work on how much we could cover.

In other words a really sensible and full attempt to answer her questions.

Happy to discuss. I am in branches tomorrow but can sit down Thursday. Tom, anything to add?

Thanks Al



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