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OFFICIAL SENSITIVE: COMMERCIAL

To: 1. George Freeman
2. Baroness Neville-Rolfe

From: Laura Thompson, Shareholder Executive GRO

Date: 1 July 2015

Subject: Post Office Horizon: meeting with MPs and stakeholders

Purpose: In Monday's adjournment debate on the Post Office Horizon system, George Freeman offered to convene a meeting of MPs, Post Office and subpostmasters' representatives. This note sets out our recommendation on the terms for this meeting, and on writing to Andrew Bridgen MP (who called the debate) and Post Office CEO Paula Vennells.

Recommendation: That you:

A. Agree that a meeting should take place under the terms proposed here

B. That Baroness Neville-Rolfe should write to Andrew Bridgen MP and Paula Vennells using the draft letters in the Annex

Timing: Letters should be sent this week, to follow up promptly on the debate.

Background

1. In Monday night's adjournment debate Andrew Bridgen MP (North West Leicestershire, Con) called for Government to launch a judicial inquiry into the matter, claiming that Post Office had failed to resolve subpostmasters' problems and alleged miscarriages of justice. Ten other MPs also spoke in the debate, generally raising individual former subpostmasters' cases in their constituencies.

2. The Government's response noted that there were no systemic flaws with Horizon, and legal avenues in place for people who felt their convictions were unsafe, concluding that there was no reason for Government to intervene and set up a judicial inquiry. However, Government would convene a meeting of MPs, Post Office and subpostmasters' representatives to try to iron out issues.

3. We have maintained that this matter is independent of Government. To set up a judicial inquiry would be unnecessary and disproportionate, particularly given the level of scrutiny that Post Office has been under over the past three years since these issues were raised. We recommend, therefore, that the meeting Government convenes should be solely to bring the various sides together and help each understand the other's views, rather than Government seeking to intervene or opine on the merits of particular cases.

4. It should be noted that Post Office have attempted to engage directly with MPs before. Under the last Parliament, Post Office's Chair and CEO met with several

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MPs including Andrew Bridgen, in a difficult meeting which achieved very little. Post Office have also offered to meet Mr Bridgen and other MPs on several occasions and Mr Bridgen has refused repeatedly to meet to discuss his constituent's case – we do not know why.

Proposed terms

5. We recommend that Baroness Neville-Rolfe should write to Andrew Bridgen MP and Paula Vennells to follow up on Monday's debate and invite them to take part in a meeting in the Department, to take place before the summer recess.

6. We have considered carefully how to facilitate a productive meeting while meeting the commitments made to Parliament. It is vital to balance these commitments alongside the risk of legal challenge and further significant reputational damage to Post Office, and the risk of increased media interest and pressure which might lead to Government being forced into a judicial inquiry.

7. We recommend that a meeting should take place between MPs - Andrew Bridgen MP and 1-2 other MPs who have led on this issue (for example, Kevan Jones MP) – and senior representatives of Post Office, facilitated by Ministers. The meeting should be chaired by Baroness Neville-Rolfe as the Minister for the Post Office, and George Freeman should attend as the Minister who spoke on this matter in the Commons.

8. Given that some scheme applicants have applied to the Criminal Cases Review Commission, it is important that this meeting neither undermines the role of the CCRC nor prejudices any of the individual cases being considered. As such, we recommend the meeting should be clear that individual cases are not to be raised – confidentiality must be preserved. Instead, we propose that MPs should raise some of the general concerns they have raised in the House, and Post Office can respond directly, in an attempt to ensure each side hears each other.

9. We recommend that Second Sight should not be invited to attend. We are aware that some MPs after the debate were keen for them to be invited, and we may be criticised for not doing so. However, we strongly advise against their attendance. They have demonstrated in their conduct since being appointed that they have not respected confidentiality undertakings and have been openly critical of Post Office on social media, despite having been appointed as independent investigators. We understand they are also appearing on the BBC Panorama programme, despite still being under contract. Furthermore, their findings are available in both of their reports, which have both been leaked and are therefore in the public domain – so there is no need for them to attend in person.

10. The question of whether to invite subpostmasters' representatives is trickier: George Freeman said in the Commons that "representatives of subpostmasters" would be included in the invitation. The representative body for subpostmasters is the National Federation of Subpostmasters (NFSP) and we could invite their

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General Secretary, George Thomson to attend. However we may be criticised for not inviting the Justice for Subpostmasters Alliance (JFSA). Our rationale for doing so is that they are not a representative body – they are members of the public, and furthermore, each member of the JFSA has a case in the mediation scheme. As such we suggest it would not be appropriate for them to attend and discuss individual cases. As with Second Sight, JFSA have proven in the past not to abide by undertakings of confidentiality.

11. We strongly recommend therefore that JFSA are not invited to attend. The question is whether to invite the NFSP: if we do so, we face accusations that the Government is skewing the meeting in Post Office's favour (since the NFSP are supportive of Post Office on this matter); if we do not, there will be no representatives of subpostmasters present. On balance, we recommend that we do not invite NFSP to attend. The meeting will be more manageable with just two parties, and we reduce the risk of MPs refusing to engage in the process.

12. Do you agree with our recommendation that the meeting should consist only of 2-3 MPs, 2-3 senior Post Office representatives, and Ministers?

13. Realistically, we suggest the likelihood of either MPs or Post Office dramatically changing their position as a result of this meeting is low. The meeting may be a challenging one, and will require careful chairing to keep it on track and maintain the terms set out. Nevertheless, convening a meeting will give Post Office a chance to communicate with MPs who to date have refused to meet with them, to try to address some of the allegations that have been made.

Media handling

14. If we receive media enquiries from the adjournment debate, press office will continue to direct queries to Post Office in the first instance, and maintain that this matter is independent of Government. If pressed on details of this meeting or the Government's position on a judicial inquiry, we propose the following line:

A BIS spokesperson said: "This is an operational matter for Post Office and sub-postmasters, and Government sees no reason to intervene. Government has agreed to convene a meeting of key parties on this matter to facilitate discussion between each side."

Annex: Draft letters to Andrew Bridgen MP and Paula Vennells

Copied to: Ministers' offices, SpAds, Permanent Secretary, Mark Russell, Anthony Odgers, ShEx Post Office team, Aileen Boughen, Simon Creer, Claire French

Advice received from:

Finance	SpAds	Press	Legal	Analysts
No	TBC	TBC	No	No

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Annex: Letter to Andrew Bridgen MP

Post Office Horizon system

I am writing as the Minister responsible for the Post Office, further to your adjournment debate in the House of Commons on Monday this week regarding the Post Office Horizon system. I would like to follow up on the offer my Ministerial colleague George Freeman made during the debate by inviting you to attend a meeting at the Department to discuss this matter.

The mediation scheme, set up in connection with the Horizon system and the small number of complaints made against it, is independent of Government and the details of individual cases are confidential. It is important that confidentiality is maintained.

Furthermore, the Criminal Cases Review Commission has received applications from individuals in the mediation scheme, which I understand they are looking in to. The Government is very clear that the work of the CCRC must not be undermined by any party, particularly while investigations are ongoing.

The Government acknowledges the concerns that Members of Parliament raised during the adjournment debate. I am aware that MPs have met with Post Office on this in the past, and furthermore, that Post Office have offered to meet with any MP individually and in confidence to discuss individual cases.

The Government wants to ensure that MPs take the opportunity to raise their concerns directly with Post Office. At the same time, the Government would like to allow the Post Office a further opportunity to address the very serious accusations that have been made against it. This meeting will provide an opportunity for both MPs and Post Office to understand each other's views better, while maintaining the confidentiality of individual cases and respecting the work of the CCRC. I hope that all parties involved will approach the meeting on that basis.

I hope you will be able to accept this invitation, and I would be happy for you to suggest one or two other colleagues who should also attend. I will be writing in similar terms to the Post Office to invite them to attend. My office will be in touch to agree a mutually convenient date.

Finally, I am attaching a copy of the letter mentioned during the debate from Paula Vennells, CEO of Post Office Limited. A copy of this letter has been placed in the Libraries of both Houses.

Baroness Neville-Rolfe DBE CMG
(Copied to George Freeman)

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Annex: Letter to Paula Vennells

Post Office Horizon system

I am writing further to the adjournment debate in the House of Commons on Monday this week, regarding the Post Office Horizon system. I have also seen your letter to my Ministerial colleague George Freeman on this subject. I would like to invite the Post Office to attend a meeting at the Department to discuss this matter.

As you are aware, the mediation scheme was established to be independent of Government and the details of individual cases are and should be confidential. The Government is fully supportive of this position and it is right that it should be maintained.

Furthermore, the Criminal Cases Review Commission has received applications from individuals in the mediation scheme, which I understand they are looking in to. The Government is very clear that the work of the CCRC must not be undermined by any party, particularly while investigations are ongoing.

The Government acknowledges the concerns that Members of Parliament raised during the adjournment debate. I am aware that MPs have met with Post Office on this in the past, and furthermore, that Post Office have offered to meet with any MP individually and in confidence to discuss individual cases.

The Government wants to ensure that MPs take the opportunity to raise their concerns directly with Post Office. At the same time, the Government would like to allow the Post Office a further opportunity to address the very serious accusations that have been made against it. This meeting will provide an opportunity for both MPs and Post Office to understand each other's views better, while maintaining the confidentiality of individual cases and respecting the work of the CCRC. I hope that all parties involved will approach the meeting on that basis.

I hope you will be able to accept this invitation. I am writing in similar terms to Andrew Bridgen MP, who tabled Monday's adjournment debate, to invite him to attend with one or two other MPs. My office will be in touch to agree a mutually convenient date.

Baroness Neville-Rolfe DBE CMG
(Copied to George Freeman)