

From: Whitehead Mike (ShEx)[/O=DTI/OU=DTIHQ/CN=RECIPIENTS/CN=MJWHITEH]
Sent: Mon 08/07/2013 12:31:06 PM (UTC)
To: Swinson MPST [GRO]
Cc: Gibson Will (ShEx) [GRO]; Batten Peter (ShEx) [GRO]; Balakrishnan Angela (Communications) [GRO]; Cable MPST [GRO]; SPAD Cable MPST [GRO]
Subject: RE: Horizon: James Arbuthnot MP

Claire

The three new initiatives proposed by POL in response to the Second Sight (SS) report are:

1. Setting up a working party to complete the review of all 43 of the 47 cases referred to SS but not covered by the interim report on 4 cases published today. The Justice for Subpostmasters Alliance (JFSA) has been invited to join (and we understand has accepted)
2. A review chaired independently to determine how an independent safety net can be introduced to adjudicate in future disputed cases, with JFSA and other stakeholders taking part
3. A new Branch User Forum to enable subpostmasters and others to raise issues and ideas relating to POL's business processes, training and support at highest levels within the business

In discussion with Jo Swinson earlier today JA indicated that he saw these proposals as a very positive response from POL but would be looking for some additional reassurance on the genuine independence and openness, terms of reference and balance of representation on the working party and the user forum. He is also keen to ensure there is provision for subpostmasters to raise issues with these bodies anonymously if they wish.

We understand that JA will be having further discussions with Paula Vennells (POL Chief Executive) this afternoon. We also expect that POL will be able to develop detailed proposals to meet JA's concerns and those areas where he seeks further reassurance. POL is still developing its detailed thinking on the new initiatives and does not expect to have fully worked up operational proposals today. But it will be seeking input from JA, the JFSA and others before finalising.

I will notify JA's office and attend the SS report meeting at 6pm today.

Mike

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From: Whitehead Mike (ShEx)
Sent: 08 July 2013 12:33
To: Swinson MPST

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Subject: Horizon: James Arbuthnot MP

Claire

Following Jo's earlier telephone call with James Arbuthnot, suggested briefing for the Whips' Office:

Briefing for the Whips on James Arbuthnot tabling an Urgent Question to obtain a Ministerial statement in response to Independent review by forensic accountants (Second Sight) of Post Office Ltd's Horizon computer system which records all transactions conducted across the entire post office network.

The issues covered by the review relate to a very small number of ex-subpostmasters whose contracts were terminated and were subsequently convicted by the Courts for false accounting or, in some more serious cases, theft and fraud.

The report confirms that no systemic problems with the Horizon system were found but also found scope for Post Office Ltd (POL) to improve aspects of its support and training for subpostmasters.

POL has welcomed the report and committed to put in place additional measures to address historic issues, improve future processes and to work with subpostmaster representatives to examine potential changes in support measures for subpostmasters.

Though Post Office Ltd is wholly owned by the Government, it operates on an arm's length basis in determining its commercial and operational strategies and policies.

The issues raised by the Report are wholly operational matters for POL and do not relate in any way to Government policy decisions or actions. A government statement could only reiterate that there was no Government role in the issues and it was not appropriate for Government to become involved.

A second aspect on which James Arbuthnot (JA) has indicated a wish to see Government comment or action is in respect of identifying a means of redress for ex-subpostmasters who were advised to by their legal advisors to plead guilty to false accounting to avoid charges of theft and fraud (which potentially carry risk of imprisonment if found guilty).

JA is seeking to imply that the Report suggests that new evidence might be found on the basis of which some false accounting verdicts could be challenged/appealed. He has a constituent who was convicted of false accounting but who has blamed her circumstances on the Horizon system and lack of POL support in investigating the financial discrepancies which occurred in her subpost office.

He also appears to take the view that a Government statement could open the review and or appeal against these convictions.

In summary we would suggest that there is a strong case against tabling an Urgent Question on the basis that a Government statement could not achieve the objectives JA seeks because:

- the issues are not related to any Government action or policy decision but are wholly operational matters for Post Office Ltd in which Government has no role.
- no systemic problems with the Horizon system have been identified by the review.

- the number of subpostmasters who have experienced problems are a minute proportion of the tens of thousands of people successfully using the system across the network of over 11,500 branches on a daily basis
- Post Office Ltd has proposed measures to address some of the points about subpostmaster support and training raised in the Report
- Government cannot intervene in the legal process to review or appeal past convictions.

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