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Sent: Tue 08/03/2022 10:18:50 AM (UTC)

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Subject: [OFF:SEN] OHC and HSS Monthly Monitoring Session 3rd March 2022 - Note of Meeting

Good morning all,

Please see below a note of the OHC and HSS Monitoring meetings last Thursday 3rd March. Do send me any further comments or amendments.

OHC

Introductions and welcomes

- CC welcomed attendees to the meeting. Noted the BEIS POCC met yesterday to discuss various live issues, and that POL's HRC met prior to the monitoring meeting and invited POL to provide updates following HRC.

Status Update / General Discussion on Feedback

- SR provided the status update. He noted interim payments continued to progress smoothly with 65 / 69 applications paid. He noted the issue raised at the Inquiry regarding the clawback of the payment and postmaster concerns, and stated that POL are going to Hudgells to clarify that the postmasters can spend the payment and that POL are reviewing the inclusion of the clause. BW explained that in BEIS's contract with POL it required the clawback clause however she was supportive of POL removing that from its agreement with postmasters. The risk would sit with the POL Board as the assessment is made by POL on the level of compensation. Noted by SR.
- On the prosecuting bodies roundtable, SR stated it went well but that it was clear there was mixed progress on non-POL prosecutions so his team are facilitating further engagement to see that the various bodies learn from each other. CC noted the update and reiterated that BEIS is holding off getting involved at this stage but the offer of support is always there if needed. RW noted this was a focus of the BEIS Select Committee, and explained that POL can do everything it can but ultimately it is a personal decision for postmasters to come forward. This was noted by CC who stated that it is important that we demonstrate that we have done everything we can to encourage postmasters to come forward.
- SR stated a response to the BEIS Select Committee was in train. He also noted that he has challenged P&P to create an appropriate audit trail with at least two different modes of comms to reach out to postmasters. P&P also progressing matters with the CCRC.
- CC asked if there are any patterns emerging regarding those who havent responded? SR explained there was nothing yet but POL will keep this under review.
- On targets, SR agreed that it was premature to agree milestones whilst fundamental issues remaining outstanding (e.g. non-pecuniary losses, interest), and requested feedback from BEIS on next steps. CC agreed with SR but noted internal requests in BEIS to provide these kinds of updates. CC noted good progress on

pecuniary losses and put a question for POL to consider whether it could go out to other claimants on pecuniary losses. Noted by SR. **Action POL to consider with HSF whether they can make progress on the pecuniary elements of other claims, beyond the two test cases**

- On interest, CC noted that an emerging consensus at POCC was that it would be difficult to justify moving away from the 3.45% compound rate applied on the HSS. HMT was also concerned regarding consistency. CC stated that he wanted to get the appropriate governance approvals in place to enable POL to go to Hudgells on this next week. SR noted that this rate was still in the right ballpark cf. 6.16 simple rate. CC noted separately that tax could potentially be a significant issue and that this needs to be considered further.
- On non-pecuniary losses more broadly, CC said there were various views at POCC and that BEIS is seeking further external advice. EW noted that this was raised at HRC, and clarified that BEIS is seeking to craft its questions carefully for counsel to opine on and move the debate forward. EW also noted that it would be helpful to see any VfM work POL are undertaking as part of this. RW noted that the likelihood of POL setting new precedent in law should be kept in mind. EW agreed and noted that in further proceedings it is likely BEIS would be an interested party.

Legal Privilege

- CC explained that he was open to hearing arguments for making further interim payments to postmasters, especially on pecuniary losses. BF noted that he wants to keep another interim payment as an option but that the main driver would be the timescales to resolving the full claim.
- EW explained that collectively we should be strategic with what issues to resolve first, noting that interest is one wide reaching issue that is more within POL's control so this should be tackled first. The group agreed.
- EW raised the possibility of a HMG representative engaging with Hudgells. RW and BF supported the idea but noted that it could only be offered if BEIS confirmed it could attend. CC stated it was helpful w.r.t engagement with the HSS Panel and that he would consider with colleagues and respond. **ACTION ON CC – Consider BEIS engagement with Hudgells and confirm to POL as soon as possible.**
- RW clarified the position regarding the progression of other claims. He noted that POL is considering its engagement with other firms, but that the vast majority of cases are with Hudgells and that these will not be progressed until material progress has been demonstrated on Hamilton / Henderson. Following a question from SM, RW also confirmed that to his knowledge other law firms have not given any indication as to why they are not progressing their claims. **ACTION on RW – To consider with HSF options to encourage other law firms to come forward with their claims and report back to the group.**

AOB & Close

- CC thanked colleagues and handed over to RJ for the HSS session.

HSS

Introductions and welcomes

- RJ and CC praised POL for hitting target for second month in a row. RW also praised HSF who performed very well to deliver on plan.

Status Update / General Discussion on Feedback

- SR noted that going into March the delivery plan is tight but that he believes POL can still hit target. He noted the total HSS case number has gone up by 6 due to cases being split out into two claims so a slightly higher number of offers need to be made.
- SR also noted the challenge put forward on settlement forecasting. He stated it was still too early to reforecast as a critical mass of non-DM cases have not gone through the system but expects settlement costs to rise sharply soon and will keep this under review. This was noted by RJ, who requested to be kept informed, especially with respect to the new approach on termination losses and its impact on the financial model.
- On termination losses, SR explained that the Panel met last week and that POL are yet to see formal feedback but looks like Panel will want to adjust the CAPs. When it is formally signed off POL will go through the usual governance, incl. the impact on the financial model. In terms of whether it will impact the March target, SR asked this of HSF who believe there is enough stock to still hit target. CC noted that this was reassuring.

Legal Privilege

Legal Privilege

- The group then discussed the test case process. RW noted that the draft CAPs have been shared with UKGI. The intent is to get a feel for how the CAPs could look like first, then apply them to test cases. He hoped the process would be quicker than last time given that the Panel are looking a confined issue.
- SR noted the good progress on SFAs. SR and JA confirmed HMU resource was already being mobilised accordingly.
- On panel capacity, SR explained that Panel's overperformed against target recently, but that there was still a need to create more capacity. He stated HRC approved their proposal for a further QC and Deloitte accountant for another panel today to create contingency over the summer months in particular. RJ requested clarity on how the test cases would be considered alongside the other cases considered by the Panel. SR confirmed that these will be in separate sittings i.e. in addition.
- RW noted a related point on Panel's engagement with respect to the DRP. There is an expectation that some cases will go back to Panel but that this will be as a last resort and likely on specific new heads of loss so should be a lighter touch approach. RJ noted an issue regarding consistency and that previously the same Panel which considered the case would consider the offer letter. SR noted that this is still to be tested.
- SR responded to specific questions on slides. CC noted that the slides are being reviewed and that POL will aim to produce a revised slide deck for the next meeting. **ACTION on POL – to produce a revised set of slides following feedback from officials for the next monthly monitoring meeting.**
- RJ asked about what sort of feedback POL were receiving from claimants at offer stage. SR noted that it is a difficult environment at present but, having said that, he is aware of pieces of feedback from postmasters that the offers made have been "lifechanging" which has been fed back to Nick Read and the team. Only a small number he hopes more will follow. JA confirmed that the Inquiry in particular has raised emotions but the team is starting to receive positive messages from postmasters who have received their offers and are continuing to make progress.

AOB & Close

- SR thanked officials for their support. CC and RJ also praised POL for the good progress it was making on HSS.

Legal Privilege

- BF closed the meeting by thanking SR for making a significant difference and progressing the various complex issues since coming on board. This was echoed by BEIS and UKGI officials.

END

Regards,

Ramona

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