

FILE NOTE: MEETING WITH SS
MONDAY 24TH FEBRUARY AT 1:00PM

IN ATTENANCE: PAULA VENELLS (PV)
CHRIS AUJARD (CA)
RON WARMINGTON
IAN HENDERSON

1. The meeting was held at PV's request in order to discuss the progress of the mediation scheme with SS. PV explained that there were a number of areas that she wanted to discuss including the letter of engagement, the pressure from ShEx, the Board and timescales. Overall the meeting was friendly with what appeared to real engagement by SS.
2. It was noted by PV that the projected level of claims was currently c. **£100m**, in response to which SS noted that their back of the envelope calculation was of the order of £25 to £50m. PV observed that this was a long way from the figures that were in mind when the scheme was established, which were much smaller, and more of the nature of a "token" with an apology. Moreover, it was difficult to imagine that the Board or Shex would countenance the payments of large scale amounts by way of compensation.
3. It was acknowledged by SS that some advisers were clearly "trying it on", with unmeritorious claims. That said, there were a number of cases, involving criminal prosecutions, where SS felt that the level of compensation payable might be quite significant.
4. A discussion was then held as to timescales, and the PV expressed concerned that the SS would be unable to meet the deadlines prescribed by the scheme and have matters wrapped up by October. SS commented that although the preparation of a "thematic" report has reduced their workload significantly, they did not now feel that they could now achieve closure of the scheme by October. There were a number of reasons for this, but fundamentally it was because of the volume of the case work, and the fact that there were only 2 of them with in-depth knowledge of the workings of POL. In their view, "throwing more bodies at the job" would not be the solution. Although they had said for some time that there were three of them, 'Chris' had not yet signed the NDA and even then, they envisaged it would be difficult to on-board him/would be a while before he was useful to them.
5. This led onto a (cordial) discussion of whether it would be possible at this stage to re-think the design of the scheme so that it dealt with applications in a more efficient manner, or whether it would be possible to triage cases so as to deal with them in blocks, or by thematic issue, or otherwise. Several ideas were considered briefly. The possibility of engaging on of the big accountancy firms to review the reports prepared by POL was discussed (with a view to leaving SS to focus on the thematic report), though no conclusion reached.

6. SS did note that in their view a number of the applicants were expecting the scheme to fail, but were using it to gather more information about POL and the processes with a view to launching legal actions at a later date. They specifically referred to Shoesmiths.
7. Finally, the contents of the thematic report was considered with PV asking that SS consider whether it would be possible to reduce the number of themes significantly; SS agreed to come back on this matter soon, and offered up a further meeting if that would be helpful. Specifically RW stated that there were artificial distinctions, where 2/3 cases could be grouped as transactional.
8. **Agreed might be a good idea to meet next week. Poss with TH.**

Chris Aujard