
From: Mark R Davies [GRO]
Sent: Sun 07/07/2013 8:14:42 AM (UTC)
To: Martin Edwards [GRO]
Subject: Re: Proposed way forward

Thanks!

This is where I have got to. I haven't included anything about legal review of past cases. I don't think we can go that far in writing. Thoughts? I put in this sentence in relation to the working party

(The Post Office commits to take any necessary or relevant action resulting from these reviews).

I think the below could go to AB but if it did I would suggest that we also send to JA via Janet at the same time as it would undoubtedly be shared.

I'd be concerned about sending it though without input from Susan.

Mark

Statement

The Post Office today issued the following statement in response to the publication of an interim report into alleged problems with the Horizon computer system which is used to record transactions in the post office branch network.

The report is being published by an external firm, Second Sight, who were commissioned by the Post Office last year. The interim report is based on a review of four of 47 cases being considered.

The report confirms that no systemic problems have been found in relation to the Horizon system, but suggests that the Post Office should examine its support and training processes for subpostmasters.

Post Office chief executive Paula Vennells said:

"We commissioned this independent review to address concerns that have been raised about the Horizon system and while we do not accept all of its content or conclusions, we welcome its publication.

"The Post Office is committed to supporting its people and improving the way we do so. The interim review makes clear that the Horizon computer system functions effectively across our network. As the review notes, it is used by around 68,000 people in more than 11,500 branches, successfully processing more than six million transactions every day. The review underlines our cause for confidence in the system.

"It does however raise questions about the training and support we have offered to subpostmasters and we are determined to address these issues.

"The people who work in the post office network in communities across the country are the lifeblood of our business and we take our responsibilities to them very seriously.

"We therefore regret very much any concerns we may have caused to any subpostmaster who has felt that our standards of support or training have not met their needs, and we are grateful to James Arbuthnot MP and the Justice for Subpostmasters Alliance for raising these issues with us.

"In many of these cases I am confident that steps have already been taken which have improved support and training but we are always open to new ways of improving how we do business to ensure the Post Office remains as trusted and effective in its communities as it ever was.

"So we will make further improvements in this area and take better account of individual requirements and circumstances going forward."

The Post Office is proposing to respond to the Second Sight report with three new initiatives aimed at addressing historic issues, improving future processes and examining potential structural changes to support subpostmasters:

1. The creation of a working party to work collaboratively to complete the review of past cases started by Second Sight last year. This would examine the themes identified by Second Sight and consider all cases brought forward by the JFSA and MPs, and any new themes which emerge. The JFSA will be invited to join this working party. Its report would be completed by the autumn. (The Post Office commits to take any necessary or relevant action resulting from these reviews).
2. A review chaired by an independent figure to determine how an independent safety net might be introduced to adjudicate in disputed cases in the future. The JFSA would be invited to take part in this review. The review would be responsible for working to agree scope and Terms of Reference for this role or function.
3. A new Branch User Forum to provide a way for subpostmasters and others to raise concerns around business processes, training and support at the highest level. It will be chaired by a member of our Executive Committee and report to that committee. A key task for this forum will be to review support processes and training to ensure they meet the standards expected of the Post Office.

Ms Vennells added: "We are determined to learn from the Second Sight review and hope the action we are already taking in response will demonstrate our commitment to continually improving the way we support all those who work in our unrivalled branch network.

"While we as a business must take action when there is evidence of wrongdoing, I do want to ensure that there are avenues available for subpostmasters to take which could in certain circumstances avoid legal proceedings."

Sent from my iPad

On 7 Jul 2013, at 08:34, "Martin Edwards" <[redacted]@GRO> wrote:

Spot on!

Martin Edwards
Chief of Staff to the Chief Executive
Post Office

GRO

On 7 Jul 2013, at 08:29, "Mark R Davies" <GRO> wrote:

I thought I would email her direct about this - see below. Honestly, I think there is danger in this for her.

Sent from my iPad

Begin forwarded message:

From: Mark R Davies <GRO>
Date: 7 July 2013 08:27:34 BST
To: Paula Vennells <GRO>
Subject: Re: Proposed way forward

Hi Paula

Could we have a word at some point today to discuss this, and specifically how far we go in terms of the wording below? I'm sending this just to you at this stage.

I am very concerned that we may get to a position where we go so far in our commitments that we actually fuel the story and turn it into something bigger than it is. I am not at all complacent about the issues, but there is real danger in going too far in commitments about past cases.

I say this for two reasons:

- first the substance of the report doesn't justify this response. Indeed the report is at such a level that our current media strategy would mean there would be some coverage, but not very much (the usual suspects). If we say publicly that we will look at past cases (and whatever we say to JA or JFSA will be public) whether from recent history or going further back, we will open this up very significantly, into front page news. In media terms it becomes mainstream, very high profile. It would also give JA a very strong case for asking for a Parliamentary statement from BIS.

- my second concern is the impact that this would have more broadly. It would have the "ballistic" impact which AB fears. It could lead to a very public narrative about the very nature of the business, raising questions about Horizon (the reality of what SS has found would be misunderstood) and having an impact on public views about the PO and

really widening the issue to the whole network.

The SS report would become irrelevant: in media terms it is the impression which counts (I was talking to the BBC's comms director last night about very similar issues), and the impression would be of a PO which doesn't have confidence/trust in its systems or processes, with the impact that could have on customer views of us.

I re read the SS report last night. It is a poor piece of work, but its over-riding finding is to support Horizon and urge us to improve our processes. But there isn't cause in there to question confidence in us. We can manage this in media terms in such a way that it doesn't escalate into a bigger issue, while having the right conversations with AB and JA.

Perhaps we can speak later?

Mark
Sent from my iPad

On 6 Jul 2013, at 22:46, "Paula Vennells"

{ GRO } wrote:

Hi, thank you for the inputs today. Susan I need your thoughts on the note below especially 1) and 2) please and the questions at the end of the mail.

I think we have the following which is a variant:

1) a working party over the next three/four months. This comprises PO working collaboratively with the JFSA and does three things:

- Firstly explores the SS (8) themes for improvement (can we get less than 8?) and agrees how they can be implemented.
- Secondly, looks at the remaining past cases with JFSA (and MPs if they wish) to see if either further themes or new evidence emerge.
- Thirdly, our external lawyers review all prosecutions in the past 12/18 months since PO has been independent of RM, in the light of the SS findings. The JFSA/PO working group reviews the findings.
[Why would they not review all cases of false accounting, eg., over the last 5-10 years, especially where the amounts have been 'small'? I assume 'large' amounts would be less likely to get away with saying they were muddle-headed and not helped? But could we review all? It is the false accounting charge JA was most concerned about.]
- Does the working party update JA in the autumn?

2) setting up of a review (chaired by PB/MO'C type) again via joint working between PO and JFSA, to determine how

an independent safety net might be introduced ie., a commitment to an independent adjudicator or (non-statutory) ombudsman and the clear intention to agree scope and ToR.

3) the future introduction of an ongoing branch user group, once the working party has completed it's task. This will ensure ongoing independent involvement of Spmrs/(inc JFSA if they would like) to ensure the business listens to and acts upon issues as they arise; and as importantly, consults users on future systems planning and changes.

[4) a statement that although the system has been proved to have no systemic issues, and our training, support processes and helplines have worked for most of the 50-60000 colleagues over the past decade, we are nonetheless genuinely sorry that some of our Spmrs, who were struggling did not feel we offered them sufficient help and support when they needed it. And that we are grateful to JFSA and JA for highlighting the issues. Many are historic and already improved but we are always open to new ways to improve how we do business to ensure the PO stays as trusted and effective in its communities as it ever was.]

Last thought: if we can draft this into something I could send to Alan Bates 'in confidence', it would get us to a better place in agreeing the press statement and way through with JA on Monday. Could Martin try and corral views into a draft by Sunday early pm? The more I speak with him the better I feel it will be.

Susan, would we ever ask the lawyers to consider reviewing past prosecutions? Is that what we are talking about in 1) above but simply not using the terms? If not, why would it be different? Of our 500 prosecutions, how many are false accounting? (For clarity these are open questions - just want to know the answers, not an indication that I want us to do so.)

Thanks, Paula

Sent from my iPad

On 6 Jul 2013, at 21:08, "Martin Edwards"

 wrote:

Hmm, the boundaries between these groups are getting quite blurred and confusing (at least in my mind!).

I thought the focus of the working group

involving the JFSA would be primarily thematic (i.e. the 8 or so themes which emerged from the SS process) - rather than focussing on resolving specific cases, which we would pick up through the separate 1:1 briefings with MPs. The description below appears to shift it more towards the latter. Perhaps this is an academic distinction which we can't sustain in practice, but it certainly feels like safer territory to have the JFSA focussing on themes to do with training and support (which would then morph into the branch user forum) rather than individual cases...

Or have I misunderstood?

We also need to think about how the review of past cases by our external lawyers plays into the messaging (if at all). Certainly not something we would put in our proactive media statement I would have thought, but would we refer to this in meetings as an avenue if pushed by MPs or the JFSA?

Martin

Martin Edwards
Chief of Staff to the Chief Executive
Post Office

GRO

On 6 Jul 2013, at 18:18, "Mark R Davies"

<[GRO]> wrote:

I think that is the working group
(number 2 below).

Sent from my iPad

On 6 Jul 2013, at 17:53, "Alwen
Lyons"

GRO

wrote:

I think the only thing
that is missing from
James' agenda maybe
not Alan's is what we
do about past cases to
scorch the suggestion

os unfair convictions

Thanks
Alwen

Alwen Lyons
Company Secretary

GRO

Sent from Blackberry

From: Mark R Davies
Sent: Saturday, July
06, 2013 04:46 PM
To: Paula Vennells
Cc: Martin Edwards;
Mark R Davies; Lesley J
Sewell; Susan Crichton;
Alwen Lyons; Theresa
Iles
Subject: Re: Proposed
way forward

Hi Paula

I think this points to
the need for our
package of measures
to include two and
possibly three new
initiatives:

1. A Branch User
Forum - for existing
users to share views,
discuss issues,
examine processes
etc.. Chaired by Exco
and reporting to
Exco. But this doesn't
cover historic issues
(ie the JFSA and MP
cases) so we could
also have (2)

2. A working party,
to use Alan's phrase,
to complete the MP
and JFSA cases. This
could "take over" the
Second Sight review
(perhaps involving
them but perhaps not

as they have effectively "cleared" Horizon, the remit of their inquiry). This would involve the JFSA and us working collaboratively on the remaining cases. We might wish to include an external party in this too (a PWC?). This is the area of greatest risk - looking back at historic cases which have gone through the courts. But it is also completing the job we asked SS to do.

3. A review by a Mike o Connor or Patrick Burns figure to consider potential independent levers which could be developed to give SPMRs a means of independent adjudication or (non statutory) ombudsman.

This package, it feels to me, covers all bases. It looks ahead to fix internal issues and create independent balancing view, but it also completes the review and has the potential for doing so with SS playing a different, or no, role.

It is also a compelling package for media, which handled carefully, could contain the story.

Grateful for views.

Mark

Sent from my iPad

On 6 Jul 2013, at
10:35, "Paula
Vennells"

GRO

FYI and
for any
thoughts
pls
Paula
Sent from
my iPad

Begin
forwarded
message:

From: Paula Vennells

<GRO>

Date: 6 July 2013 10:35:03 BST

To: Alan Bates <GRO>

Subject: Re: Proposed way forward

Alan, thank you for the note. Yes, I thought the meeting with James was positive too. My main concern is still how we manage the publicity, to avoid - as you said - it 'going ballistic'.

We had a useful conversation re a statement from James with quotes from you and me, or possible joint statement. And agreed we would pick up again on Monday.

Ours is now being re-worked in the light of that and as we liaise with SS over the weekend on some changes to the report where it is factually inaccurate. I am hopeful these will be addressed.

Once I have a final draft, I would be happy to send across to you.

It would be good to meet on Monday. And as I haven't met Kay, then I would be happy to extend the meeting to include her and I would bring Alwen Lyons, who is our Company Secretary - Alwen has been the key lead on the liaison with James' office.

In the meantime, I hope you enjoy the glorious weather - at last!

Paula

Ps. You were on my list to call today but I imagine this email exchange is sufficient now? However, if you would like to speak at any time, don't hesitate to text me.

Sent from my iPad

On 6 Jul 2013, at 09:51, "Alan Bates"

GRO

wrote:

Hello Paula

I understand the meeting with James Arbuthnot went well on Friday and I believe he will be discussing his views with me on Monday morning.

I am sure you will agree that it is important that we have even an outline document of the proposed way forward we have discussed, before the MPs' meeting. As soon as it is available, I would appreciate seeing your version of what is proposed, hopefully amended to address the comment below.

Looking through my notes from our last conversation, there is an early item of concern, that being the name of the panel which you referred to as the 'user group'. Whilst I can appreciate you want such a group to continue on into the future, at which time such a name may be suitable. Initially, and whilst it is also looking at the issues surrounding the report and the cases, possibly 'task group' or 'working party' might be more accurate, as technically, the bulk of JFSA are ex users, and others will no doubt pick up on the name. I could offer 'review board', but I could see that might not be acceptable.

Regarding Monday 8th, do you still want to meet? If we do meet, and others are to attend, I would like Kay Linnell, who has been working with us for the

last year, to accompany me. With travel arrangement to finalise, I would appreciate a response to that point as soon as you are able to let me know.

Regards

Alan