

## **Speaking Notes for POL Board – 25 March 2015**

As Paula's note to the Board records, POL announced its new approach to the Complaint Review and Mediation Scheme (aka Project Sparrow) on 10 March, the key elements of which were:

- adopting a presumption in favour of mediation in all cases where there has not been a previous Court ruling;
- publishing a 187 page report on the Scheme;
- closing the Working Group that oversaw the Scheme; and
- giving notice to Second Sight of termination of their contract.

The announcement got very limited coverage, in no small part down to the hard work of the comms, Sparrow and legal team.

Looking ahead, there are 4 issues to highlight.

### **The Role of Second Sight**

Since 10 March we have been working with Second Sight on:

- the completion of their Part Two Report; and
- the delivery of as many case reports as possible during their notice period.

On Part Two, we have received a draft and are offering comments. The report is as poor quality as anticipated, containing a number of misleading and inaccurate statements some of which fall outside the scope of the Scheme and Second Sight's expertise. Although we are seeking to improve their report it is very unlikely that we will be able to reach agreement and the imperative is to finalise the report as soon as possible, probably with an accompanying Post Office report highlighting Second Sight's errors, so that applicants' cases may progress through to mediation (as appropriate).

There has been considerable speculation about the "publication" of the Part Two Report. It was never intended for publication. Instead it was intended to assist the mediation process for applicants and mediators. However, we can expect the report to find its way into the public domain via applicants or in response eg to an FoI request. Comms colleagues have lines prepared to respond.

More positively, Second Sight are making good progress in the delivery of their case reviews and are engaged in a constructive dialogue with the team. If they deliver to their agreed schedule, that will leave around 25 cases to be completed by the end of their notice period. We propose to offer Second Sight a new engagement with Post office based on a cost per case to complete their work. The aim is to complete the final case reviews by end May.

### **Delivering Mediations**

The aim is to complete the mediation of the c71 cases within approximately six months. To do this we will need to undertake mediations at a rate of approximately 12 cases per month (three cases per week). Currently, the Scheme is averaging a single mediation every three weeks, so a significant change is required.

One of the principal challenges is the limited number of PO representatives to attend the mediations. PO reps are senior managers within the business (e.g. in Crown Transformation), who provide in-depth knowledge of the business and the case they are representing. At present, there are ten reps, all of whom are fulfil these duties on top of very busy day jobs, and three of whom face voluntary redundancy. As the business contracts in size there will be fewer people available to help out with mediations and even fewer with the necessary skills. The team are working on a resource plan but it is likely that I will need to seek colleagues' support to release resource and / or greater flexibility around the timing of redundancy.

The team's plan will also cover mitigation of the concentration risk in the number of applicants represented by two firms of advisors (approximately 66%). There are means to manage this risk through eg the scheduling and location of mediations but it remains a significant risk to the timetable.

Although the Working Group has closed, the Scheme Secretariat continue to manage cases through the Scheme and are increasingly working on supporting the mediation process, alongside managing Second Sight. Their work can be expected to continue into the late Summer / early Autumn. They expect there to be a gradual release of resource beginning in the late Summer.

### **Select Committee**

The BIS Select Committee wrote (a 2 page letter) to the Secretary of State on 17 March setting out their views on their inquiry into the Scheme. Although there was some criticism of Post Office (and some inaccuracies) in their letter, for example on support for SPMRs, this represents a very good outcome given the strength of feeling expressed in the Committee's evidence sessions.

We expect BIS to respond shortly, with a relatively full response to the Committee's letter. The team have been working closely with BIS and their response draws heavily on Post Office's report that anticipated all of the points the Committee made.

Post Office may wish to respond to the Select Committee as well, if only to correct the inaccuracies in their letter. However, the Select Committee's letter has received almost no coverage and there may be an argument for not drawing further attention to it given all their points are addressed in the Post office's report.

### **CCRC**

We have received notice of 11 cases in the Scheme that have been referred to the CCRC together with an instruction not to dispose of any documents relating to the Scheme. It should be noted that none of these cases have gone to appeal. As such the CCRC appear to be using their exceptional powers to pursue these cases, albeit there also appears to be little to merit such an approach.

Nonetheless, we are engaging with them constructively and providing the material requested.

I will keep the Board informed of future developments.