

DRAFT NOTE OF MEETING BETWEEN POST OFFICE AND RT HON JAMES ARBUTHNOT MP

28/01/14

930 - 1030

Attending James Arbuthnot, Alice Perkins, Paula Vennels, Janet XXX, and David Oliver

Alice opened the meeting setting out that there were two themes that she wished to cover :

- The current and future running of the Post Office
- The mediation scheme itself

For the current running of the Post Office there had already been a number of significant changes and there were more in the pipeline. This was very important as it effected large numbers of people and acted as a preventative measure to ensure that we did not face a similar situation (as that the Scheme was dealing with) again.

For the mediation scheme it was moving forward more slowly than we had hoped in part that was due to it receiving more than twice the number of applications and in part as Post Office were investigating the cases extremely rigorously and using the first wave of cases to ensure that we got the process right and that this was an area of particular concern to the Working Group chair Sir Anthony Hooper.

JA thanked AP for her comments and observed that he had received feedback on AH that he was a really good man doing a really good job. PV commented that she was glad of that fact and that AH was also being tough and challenging to Post Office and that she really valued that.

JA then moved the meeting on to an area of importance to both him and other MPs. JA questioned how they will be kept in touch with the scheme's progress. JA set out the need to reinstate the meeting which had previously been due to take place in October between Post Office and MPs. JA explained that he was beginning to get calls to bring this meeting forward.

AP responded that the communications with MPs were a very good thing but that we needed to also ensure that the mediation scheme was allowed to progress. JA suggested that the meeting could be held before the first cases had exited mediation and could update MPs on both the progress and the process that was underway. It was agreed that this was a good idea. PV talked JA through the timescales with the first cases not due to reach mediation until March. PV also suggested that the meeting with MPs would also provide a good opportunity to talk them through the Business Improvement Programme and the steps that have been taken with the existing cases for example 325 cases had been reviewed for disclosure, 21 further disclosures had been made and to date no appeals had been received.

JA commented that he was very impressed with the general approach that Post Office were taking. PV commented that Post Office were taking the issue very seriously and that was why they had

committed 22 investigators, funded professional advisors for the applicants and funded the provision of an independent mediator.

There was a discussion of who else should attend the briefing with JA suggesting that JFSA and Second Sight should attend. Post Office undertook to consider this and confirm to JA's office.

ACTION Post Office and James Arbuthnot's office to arrange a meeting with MPs and Post Office.

ACTION Post Office to consider additional attendees particularly JFSA, Second Sight and Anthony Hooper and come back to JA's office early W/C 3 February.

The handling of the meeting was discussed including the need to avoid skewing the handling of any particular case through lobbying. JA commented that he thought that MPs would wish to raise compensation for specific cases particularly those where Post Office had dropped a prosecution at short notice. In particular JA cited the case of Kevan Jones' constituent where Kevan had reported that Post Office had first lost the case file and then dropped the case. PV commented that she had not heard of this issue but would look into it. PV stressed that JA should always feel free to raise issues of that sort directly with her.

ACTION Post Office to talk to Janet re the letter inviting MPs to the meeting and agree the "groundrules" to go in the letter.

ACTION Post Office to arrange a pre meet with JA around ahead of the MPs meeting

Discussion then moved to Second Sight and their work. JA commented that he thought that both JFSA and Second Sight were attempting to deal with issues without raising them to PV. Second Sight though had raised some concerns with JA. In particular they had raised a concern about the turnover of staff on the programme. PV disagreed on this issue pointing out that Angela VDB had been a member of the programme since the outset and that Belinda Crowe had been working on this for several months.

JA then raised the issue of Second Sight's employment and the draft Post office letter of engagement. JA raised that he did not understand why Post Office were drafting a letter of engagement when he had a letter from Jo Swinson (NB letter to Alan Bates dated XXXXXX) that made clear Post Office did not employ Second Sight. PV clarified that the letter made clear that although Second Sight were not employed by Post Office they were engaged by Post Office in the same way that any independent professional service might be and were accountable to the Working Group. JA accepted this and it was also confirmed that JA did not engage Second Sight.

PV then talked through the process that Post Office was going through to investigate the cases and the reports that Second Sight would be providing on each case. PV raised the issue of a final report which she thought could be provided at the end of the mediation as there was a need to avoid prejudging the mediation process. JA questioned whether this report could not be published earlier and suggested that Second Sight could produce a report for the end of February. PV explained that that would not be possible and that needed to keep matters internal while the mediation was ongoing but that there could be a report at the end. AP made the point that it was not helpful to

provide a running commentary and that there was a need now to focus on delivering the Scheme. JA accepted these points.

Returning to the mediation letter JA commented that Second Sight were particularly exercised by the clause limiting their ability to speak to MPs about the Scheme.

AP said that Post Office should have had a letter of engagement in place with Second Sight from the start and that this was now putting that issue right. JA agreed that there should have been a letter in place. PV suggested that if Second Sight's nervousness was that Post Office was trying to restrict them from raising issues she would consider with advice from Chris Aujard whether she could write a letter to Second Sight providing assurance that they could always raise issues directly with her and that they could continue to update JA on the progress of the Scheme. JA commented that he felt this would help, he then also raised the clauses restricting the areas that Second Sight could provide comments on. In particular JA raised the restriction on commenting on Criminal Convictions, Post Office's prosecution policy and the legal liability that Post Office might have towards any particular Subpostmaster.

PV commented that the priority had to be getting the cases through the Scheme and that Second Sight needed to focus on that. PV also commented that Second Sight would never be advising Post Office on Criminal Cases or their Prosecution Policy as they were forensic accountants and not lawyers. AP pointed out that in terms of any spend by Post Office they are a publicly funded organisation and the Post Office Board would wish to consider whether any further work by Second Sight was good value for money given the amount of money being spent on the scheme and the need to be able to assure external parties such as the NAO that good value for money was being obtained. PV offered that if a meeting with her would be helpful then she was happy to do that. JA thought that would be helpful, particularly as Second Sight were concerned that PV was not being briefed on issues.

ACTIION Post Office to arrange a meeting between PV and Second Sight.

Discussion then moved to the Business Improvement Programme. PV talked JA through the changes to the Post Office suspension policy and the change that had had on performance. JA commented that this was a dramatic change. PV commented that the policy was more sensible and sensitive and that it was coupled with increased training and support to Subpostmasters. PV also talked through the changes to the termination policy including the new category of suspended termination. PV explained that the business improvement programme had nine different workstreams and was run as a separate programme from the mediation reporting into the network director.

PV then raised Post office's prosecution policy. First she clarified with JA that Post Office was not in fact a prosecuting authority and had not been so since 1985. Since 1985 Post Office had been taking forward private prosecutions on the same basis as any company or individual in England and Wales can. The post Office Board had not yet taken a view on what the final policy should be but they were considering how (including looking at how retailers and banks prosecute) what the policy should be moving forward particularly as Post Office expected the numbers prosecuted to decrease

in a similar way to the decrease in suspensions. JA commented that this would be a difficult dilemma for Post Office to balance supporting their agents and protecting public money.

PV then updated JA on the work being done to develop the successor to the mediation scheme. This work was currently at a very early stage but was important to Post Office for the future.

At the end of the meeting there was a short discussion of the length of Anthony Hooper's contract. PV reassured JA that there was no intention to change the Chair of the Working Group and that the contract length was just a function of the original expectation for the timetable to complete the scheme.

David Oliver

29/01/2014