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**From:** Susan Crichton[IMCEAEX-  
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\_CN=RECIPIENTS\_CN=SUSAN+20CRICHTONC5FA6431-DC28-49AB-8F0F-  
BE4237A4AD4F@C72A47.ingest.local]  
**Sent:** Sun 01/09/2013 3:36:15 PM (UTC)  
**To:** susan.crichton[REDACTED]  
**Subject:** FW: draft note for the Board  
**Attachment:** image001.gif  
**Attachment:** image002.png  
**Attachment:** image003.png  
**Attachment:** image004.png  
**Attachment:** image005.png  
**Attachment:** image006.gif  
**Attachment:** image007.png

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**From:** Paula Vennells  
**Sent:** 27 August 2013 22:47  
**To:** Alwen Lyons; Susan Crichton  
**Subject:** Fwd: draft note for the Board

Alwen, thank you for this. I'll get back to you on one section I'm reviewing but wanted to get Susan in the loop on Horizon asap. The other two parts below are fine - just a colon and inverted commas missing from the MG piece (to lead into the SLT note). I have amended below.

Re Horizon: I think there is too much detail re the release but nothing on reassuring the Board re mediation. They will want to know how we plan to manage any associated risks.

Susan, a couple of questions to help position this: I have just read the mediation pack tonight: p10 states clearly that compensation can be a possible outcome. When we discussed this, the hope of mediation was to avoid or minimise compensation but as far as I can see, the pack doesn't really suggest any other outcome. (Difficult To do I know.) And so, this will be the page that Spmrs will pay attention to. You explained that there were steps in place to advise Spmrs entering the process that this was a chance to be heard and not to expect compensation. How are we planning to manage those expectations? And where compensation may be offered, you mentioned small figures in the £3-5k band: can we give a range of costs? (ROM is fine)

The Board note might be better briefer and more factual: ie., mediation launched as per our commitment (independent adjudication); some reassurance around what we expect from the mediation process - ie., not compensation; it has gone through the ARC/ and or discussed with Alasdair/Alice; Board (or ARC?) will be updated in more detail in Sept., Board pack?

This is urgent: the Board might have expected to be informed before or at least at the same time as the release was issued. I'm sure they will understand because of strikes but it's a bit close. For first thing tomorrow please.

Thanks both,

Paula  
Sent from my iPad  
Begin forwarded message:

**From:** Alwen Lyons[REDACTED]  
**Subject:** GRO

**Date:** 27 August 2013 20:36:46 BST

**To:** Paula Vennells  **GRO**

**Subject:** draft note for the Board

**Paula her is the message for the Board, can you let me have any amends. Would you look in particular at the HR piece as these are my words and you may want to change them. The rest is picked up from communications but I have positioned as your note.**

Dear All

I promised you a note covering four different areas, apologies for the length of the email but there is a lot to cover

#### **Horizon - Announcement of independent mediation scheme for subpostmasters (Project Sparrow)**

We have today announced the introduction of an independent mediation scheme to address the concerns raised by some subpostmasters regarding cases which they feel require further resolution.

This follows the publication of the interim report into the Horizon system produced by Second Sight in July. As you know the report stated that so far no evidence of system wide (systemic) problems with the Horizon software had been found. However, it noted that improvements could be made in the training and support processes provided to subpostmasters. In response to the report we have made a number of commitments, one of which is to create this independent mediation scheme for subpostmasters and the Post Office to investigate and try to resolve a subpostmaster's concerns.

The Post Office, JFSA (Justice for Subpostmasters Alliance), and Second Sight, the independent investigators, have formed a working group to collaboratively develop and monitor this scheme which is available to current and former subpostmasters from 27 August 2013.

Commenting on the launch of the Scheme, Angela van den Bogerd Post Office Head of Partnerships said: "The Post Office is committed to addressing any outstanding concerns among subpostmasters swiftly and transparently.

"As part of this commitment we set up an independent review which recently published an interim report which found that so far there was no evidence of any systemic issues with Horizon but did identify some further improvements we could make to our training and support arrangements, which we are taking forward.

"In addition, the independent mediation scheme we are announcing today will provide an effective way to assess and address any outstanding cases where subpostmasters feel they have been unfairly treated.

"Subpostmasters are the lifeblood of our business and we take their concerns extremely seriously. We hope the package of measures we are announcing will demonstrate our commitment to working closely with them to further improve our network."

Commenting on the announcement, James Arbuthnot MP, who is spearheading interest in the matter at Parliament, said: "I am very pleased indeed with the working group's proposed process. To my mind, it represents the very best chance all parties – individual subpostmasters and mistresses, and the Post Office have of ensuring the best outcome for everyone. It is fair, thorough, and independent."

Subpostmasters wishing to submit an application can visit [www.jfsa.org.uk](http://www.jfsa.org.uk) for further information.

I have am also in the process, with the help of Alasdair and Alice, setting up a lessons learned review to

understand what we could have done better in the independent review carried out by Second Sight, but also to understand how the Business responded to the Subpostmasters' challenges and whether our process for dealing with balance queries, suspensions, prosecutions etc. were fair. This review will report to me and Alwen will help facilitate the work for Richard Hatfield who has agreed to undertake the work finishing by mid October.

### **Appointment of the new Chief Marketing and Commercial Officer**

As you know we have been searching for a Chief Marketing and Commercial Officer. Following approval by the Nominations & Remuneration Committees, I am pleased to inform you that Martin George has been appointed to the role. In the spirit of no surprises, Martin has held a number of senior marketing roles and was at BA during the time of the allegations of fixing the price of the fuel surcharge. Appropriate due diligence was carried out to my satisfaction and to the satisfaction of the RemCom prior to appointment and full references have been taken (two by me personally). Martin is a strong marketing professional, who will be a great addition to the Post Office and bring additional strength to the ExCo.

Attached is a copy of the communication that has gone out to the Senior Leadership Team. ShEx have also been informed of the appointment:

"I am very pleased to be able to announce that Martin George will be joining the PO Executive Committee, reporting to me, as Chief Marketing and Commercial Officer. He will be taking up his new role on 23 September. Martin will be responsible for leading the Marketing, Mails, Telecoms, Government and Digital teams as well as taking the lead on the SME agenda.

Martin is a proven business leader with significant experience in brand marketing, commercial and general management; he is an accomplished marketing professional having worked in companies such as Boots, Cadbury, British Airways and BUPA. He has held both senior executive and main Board roles.

In terms of his career there are many highlights, to draw out just a few: at Cadbury Martin worked in Brand Management and won the National Marketing Award from the Institute of Marketing for a new product launch, whilst at BA he transformed the commercial model from "intermediary push" to "consumer pull" through a programme of product & service innovation as well as the introduction of [ba.com](http://ba.com). Martin is passionate about the consumer, as well as numerous service enhancements; he introduced BA miles to improve customer loyalty. He also led the commercial recovery of BA following the tragic events of 9/11. Whilst at BUPA he led the global initiative on Brand repositioning and transformed the ecommerce capability of the business,

I would like to extend my thanks to Paul Brown who has led the Commercial team on an interim basis and who will work closely with Martin during his induction period.

I am sure that you will join with me in giving a warm welcome to Martin when he joins us in September."

### **Industrial Action Update**

290 crown branches opened today (managers were deployed) with 79 closed.

There has been very limited media coverage of today's strike action with the Daily Express being the only national newspaper making reference to it. There has been no national TV broadcast coverage, though a small number of regional radio stations have covered the strikes.

Yesterday, of the 19 branches in Scotland for whom we received notification of strike action (due to different local holiday arrangements in Scotland), 9 opened and 10 closed. There was limited coverage in the Scottish press and no significant coverage in the national press.

Over the course of the weekend approximately 60% of staff have taken strike action which is in line with recent strikes.

Thanks  
Alwen  
Alwen Lyons | Company Secretary

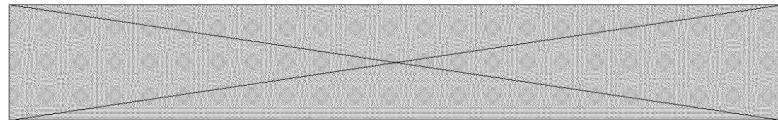
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