
From: Alwen Lyons [GRO]
Sent: Fri 23/05/2014 10:01:35 AM (UTC)
To: Chris Aujard [GRO] Belinda Crowe [GRO]
Subject: here are the draft minutes in confidence

It's a bit smoke and mirrors but here are the minutes, comments asap please

- (a) The Board noted the Chief Executive's report and discussed the following specific items:
- (b) SEPARTION
The CEO reported a meeting with Moya Greene CEO of Royal Mail Group who was concerned about the separation of the two businesses. To ensure any potential problems are understood she has asked David Ryan to have a look at separation in the context of Business Transformation. Paula Vennells explained that the business may need a COO role whilst separation was finalised and was considering possible options for that role
- (c) NFSP CONFERENCE
The CEO told the Board that she had received good feedback from the NFSP conference and that the relationship was in a different place than last year. Richard Callard explained that the conference had challenged the Minister regarding Government Services work, especially DVLA and POCA.
- (d) CURRENT ACCOUNT
The Bank Of Ireland had agreed to extend the current account to an additional 100 branches, but the Business were asking for an additional 500.
- (e) BBC DOCUMENTARY
The Business had agreed the filming of a BBC documentary to be aired in the spring. The CEO recognised that any such work had an element of risk but the Business had been reassured by the editorial constraints negotiated by Mark Davies. The Board asked the CEO to ascertain if the broadcast could be timed for after the election. The CEO offered to circulate a brief and film trailer to the Board
- (f) SPARROW
Chris Aujard and Belinda Crowe joined the meeting.

ACTION:
Mark Davies

ACTION:
General Counsel

The draft Deloitte's Horizon Assurance Review had been circulated to the Board. The final Review would be available to the Business on Friday 23rd May and would be circulated to the full Board.(Chris to advise). The Chairman stressed the importance of that this Review to give the Board assurance that there were no issues with the system, and the need for it to be written clearly so that it could be used to give assurance to a wider audience. The Review would be considered at the next Board Sparrow Sub Committee (BSSC).

The CEO reported that she and the General Counsel had met Sir Anthony Hooper to understand his appetite for changing the scheme.

Sir Anthony Hooper stressed that the Post Office had agreed to the mediation scheme and believed they now needed to let it run over the next 12-18 months. With this in mind the Chairman asked the (BSSC) to decide whether there was an option to change the scheme, before the first case goes to formal mediation, which is likely to be in the next 4-8 weeks.

ACTION:
Board Sparrow SC

The General Counsel explained that 10 cases, where the claimant is an existing sub postmaster, had already been settled outside the scheme at very low cost to the Business. It was likely that this first case going through the scheme could also be settled without going to mediation.

The Board asked for a paper to the BSSC explaining the original number of cases and those; already settled outside the scheme and at what cost; which could be treated as Business as Usual and are likely to settle outside the scheme; criminal cases which cannot be taken to mediation; and the remaining cases likely to go through to full mediation. The paper should also highlight how many of these cases relate to the Horizon system.

ACTION:
Belinda Crowe

The CFO explained the cost to the Business of the investigation which was running at circa £700k a month, excluding payments to claimants.

This expenditure was in line with the budget but still a challenge for the Business.

The Chairman asked that the next BSSC to consider:

- the options available for scheme
- how cases could be out of the scheme into BAU, and how this would be explained to the sub postmasters and other stakeholders.
- the likely response from Sir Anthony Hooper, JFSA and Second Sight to any change
- PR scenario planning for all the options being considered

ACTION:
**General Counsel/
Belinda Crowe
Mark Davies**