

PS 14/7-14/

POST OFFICE LTD

PROJECT SPARROW SUB-COMMITTEE

Minutes of a meeting of the Project Sparrow Sub-Committee of the Board  
held at 148 Old Street, London EC1V 9HQ on Wednesday 30 April 2014

Present:	Alice Perkins (AP) Alasdair Marnoch (AM) Richard Callard (RC) Paula Vennells (PV) Chris Aujard (CA)	Chair Non-Executive Director Non-Executive Director CEO General Counsel
In Attendance:	Alwen Lyons (AL) Belinda Crowe (BC) Mark Davies (MD)	Company Secretary Programme Director, Project Sparrow Communications and Corporate Affairs Director

PS 14/7

**OPENING OF MEETING**

A quorum being present, the Chair opened the meeting of the Project Sparrow Sub-Committee ("the Committee") and welcomed Mark Davies, Communications Director, to the meeting.

PS 14/8

**RECENT CORRESPONDENCE**

- (a) The Committee considered the correspondence received from Alan Bates, Chairman, Justice for Subpostmasters Alliance and Jenny Willott MP.
- (b) Chris Aujard explained that Anthony Hooper, the Independent Chairman of the Working Group now has a copy of the Alan Bates letter which will be tabled at the Working Group meeting this week and the Post Office will have an opportunity to rebut the comments made.
- (c) Mark Davies assured the Committee that a reactive statement had been prepared for use if Alan Bates circulated the letter further.

**ACTION:**  
**Belinda Crowe**

- (d) It was agreed that the Business would update James Arbuthnot MP, who has a copy of the letter from Alan Bates, after the Working Group meeting.

**ACTION: CEO**

It was also agreed that the CEO would consider if she would respond to the letter after the Working Group meeting

PS 14/9

**PUBLIC STATEMENTS MADE ABOUT THE INITIAL COMPLAINT  
REVIEW AND MEDIATION SCHEME ('THE SCHEME')**

	<p>(a) The Committee <u>noted</u> a paper on the ministerial commitments made with regard to the Scheme.</p>
<b>PS 14/10</b>	<p><b>DISSEMINATION OF THE LINKLATERS ADVICE AND DELOITTE REPORT</b></p> <p>(a) The Committee received a report on the dissemination of the Linklaters advice and the Deloitte report from Chris Aujard.</p> <p>(b) Chris Aujard reported a conversation with Gareth Jones, Deloitte Partner, after the Board meeting in which he explained the visibility of transaction corrections on the transaction log, and that Gareth Jones through this would enable a faster conclusion to his assurance work. Chris Aujard was asked to understand from Deloitte what could be achieved in 1, 2 or 3 weeks and at what cost.</p> <p>(c) It was understood that pre 2010 assurance might be more difficult and take longer to attain, and the Committee discussed the use of the detailed logs provided for the Court cases as evidence for Deloitte.</p> <p>(d) It was agreed that the Linklaters paper was too long and that the language needed to be clearer to enable it to be understood and accepted by a reasonable person if it were in the public domain.</p> <p>The Committee agreed that both pieces of advice would benefit from a contextual document to explain the narrative of the past few years.</p>
<b>ACTION:</b> <b>Chris Aujard</b>	
<b>ACTION:</b> <b>Chris Aujard</b>	
<b>ACTION:</b> <b>Mark Davies</b>	
<b>ACTION:</b> <b>Belinda Crowe</b>	<p>The Committee <u>agreed</u> that the Linklaters advice and Deloitte report would not be disseminated at this point but the Business would consider when it might want to use the documents and the contextual piece over the next months.</p>
<b>PS 14/11</b>	<p><b>EX GRATIA AND SETTLEMENT PAYMENTS UNDER THE SCHEME</b></p> <p>(a) The Committee were provided with advice on ex gratia scheme payments and a briefing on settlement payments and Conditional Fee Agreements (CFAs) from Chris Aujard.</p> <p>(b) The Committee <u>agreed</u> that ex gratia payments were not suitable for the Scheme.</p> <p>(c) The Committee discussed the CFA and the issue that some sub postmaster may be including their advisors fees in their claim against the Business. The Committee agreed that it should be made clear at the Working Group that this was not acceptable and never envisaged under the scheme. The Business was asked to consider having a conversation with Anthony Hooper about the problem as the scheme cannot be seen as a way for advisors to make money</p> <p>(d) The Committee discussed that at this point it needed to retain the ability to settle with sub postmasters outside the mediation scheme, until the future of the scheme became clearer. But no action was</p>
<b>ACTION:</b> <b>Belinda Crowe</b>	
<b>ACTION:</b> <b>Belinda Crowe</b>	

required at this point.

**PS 14/12**

### **THE ROLE OF SECOND SIGHT**

- (a) The Committee received a paper on the options to support Second Sight or reduce their role in supporting the Scheme.
- (b) Belinda Crowe explained that Anthony Hooper was happy with the quality of the Post Office investigations and reports, although thought we should be more strident at times. He has challenged the quality and asked Second Sight to rewrite several reports, however until he deems that they are not performing their role it is unlikely that we will be able to dispense with them.
- (c) Belinda Crowe explained that a Second Sight's report was due to be discussed at the Working Group this week. The Committee asked that the Business be ready to discuss exit options with Second Sight.
- (d) Mark Davies was asked to produce reactive communication line to be used in the event of Second Sight or JFSA walking away from the Working Group and generating media.

**ACTION:**  
**Chris Aujard**

**ACTION:**  
**Mark Davies**

**PS 14/13**

### **CLOSURE/ACCELERATED COMPLETION OF THE SCHEME**

- (a) The Committee considered a paper on the options for the closure of the Scheme and for the acceleration of its completion.
- (b) Belinda Crowe explained that if only 80? Of the 150? Cases in the scheme had provided questionnaires with enough evidence to investigate. She believed that if all the cases could be given a deadline for submitting their questionnaires, and the work could be investigated by the Post Office, the Business could get this completed by the summer?
- (c) The Committee agreed that, subject to a satisfactory outcome from the Deloitte assurance assessment, the Programme Team should develop an implementation plan based on Option 2 – to continue to investigate cases but bring it within the control of the Post Office.
- (d) The Committee asked the Business enough resource was allocated to the Project. Belinda Crowe agreed to consider the resource after the Working Group meeting on the 1<sup>st</sup> May.

**ACTION:**  
**Chris Aujard/**  
**Belinda Crowe**

**ACTION:**  
**Belinda Crowe**

**PS14/14**

### **DATE OF NEXT MEETING**

The date of next meeting of the Committee to be agreed after the Working Group meeting on the 1<sup>st</sup> May

**PS 14/15**

**CLOSE**

There being no further business, the meeting closed.

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PROJECT SPARROW SUB-COMMITTEE

ACTIONS LIST

<u>No.</u>	<u>ACTION</u>	<u>BY WHOM</u>	<u>STATUS</u>
PS1			