
Horizon Compensation Advisory Board

21 April 2023



Department for
Business & Trade

Agenda

Slide 2

- 1. Welcome**
- 2. Bandings for compensation for reputational damage etc**
- 3. Actions Update**
- 4. GLO Project Review inc feedback from claimants' lawyers**
- 5. Revised TOR for Board**
- 6. Controls to assure fairness between schemes**
- 7. Next meeting**
- 8. AOB**



Bandings for compensation for reputational damage etc

Item 2: Slide 3

Proposed structure of discussion

- Goal for today's discussion
- Review of process by which bandings were established.
 - DBT paper previously circulated.
- Have HSS awards felt fair to postmasters?
- Implications of any substantive change to GLO principles.
- Will GLO awards be constrained by available finances?
- Conclusion: Do we expect GLO awards for reputational damage to be fair?
- Next steps.



Action Tracker

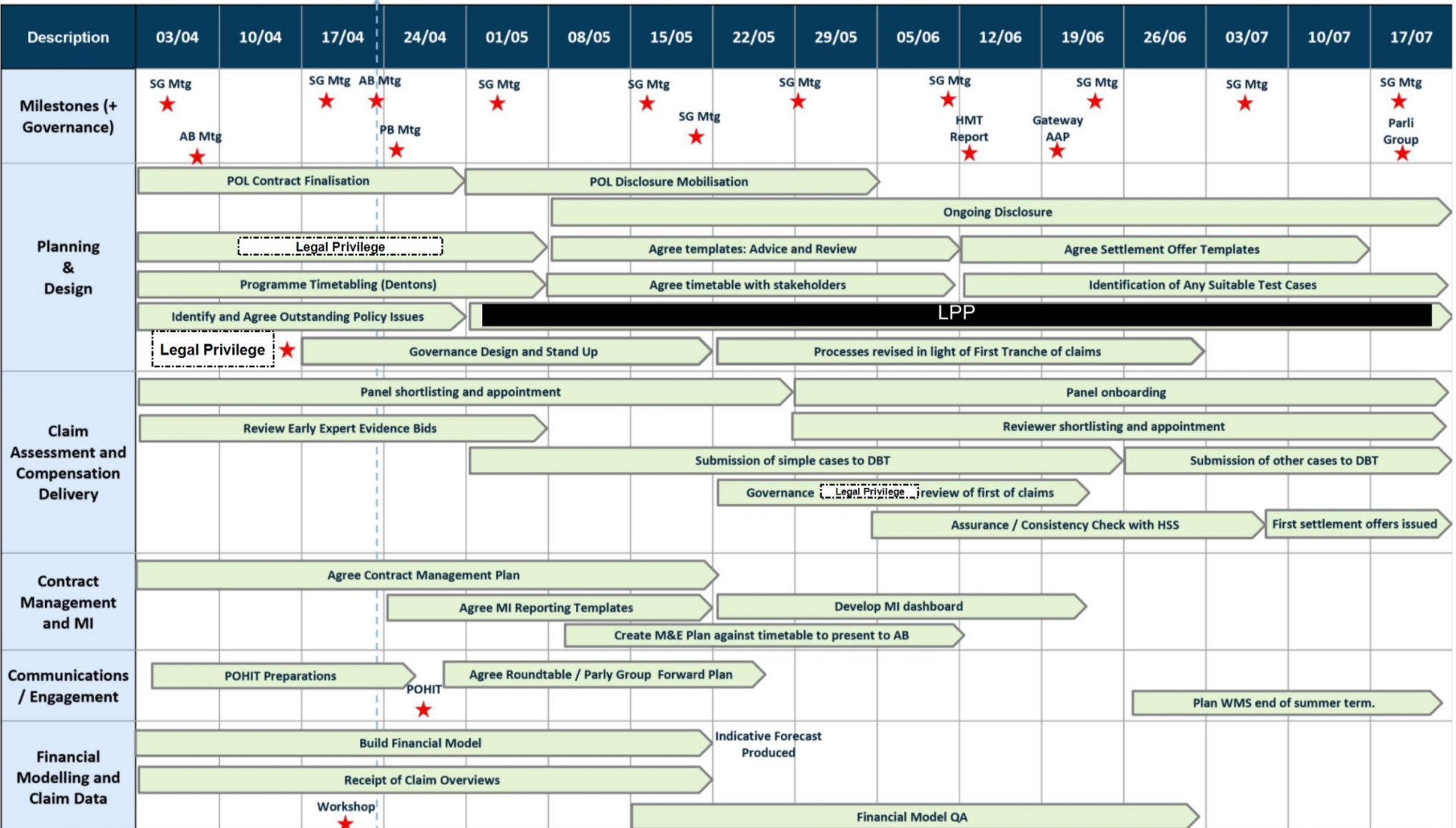
Item 3: Slide 4

Date Opened	Action	Due date	Action owner	Latest update/product
8/3/2023	Share copy of draft GLO Principles and Guidance with Board members	17/3/2023	Rob Brightwell	Done 14/3/2023.
8/3/2023	Report back to future Board meetings on engagement with claimants' lawyers.	21/4/2023	Rob Brightwell	First note sent to Board members 30/3/2023. Further report in this slide deck; to be repeated for subsequent meetings.
8/3/2023	Develop in due course a monitoring and evaluation plan, considering opportunities to use evidence from surveying postmasters.	June 2023	Rob Brightwell	Built into latest project plan
8/3/2023	Draft Board statement supporting announcement	22/3/2023	RM	Statement issued 23/3/2023.
21/3/2023	DBT to provide further information about the way in which the bands for reputational damage have been set.	21/4/2023	Rob Brightwell	Circulated for this meeting.
21/3/2023	Board members to discuss the bandings for reputational damage with claimants' lawyers.	21/4/2023	RM, JA, KJ	To be reported at this meeting.



Plan on a page

Today's date



Project Milestones Summary

Item 4: Slide 6

Overall Project Confidence RAG

A/R

Top Line Project Summary: Progress is on track.

Milestones last period/this period

Milestone	Commentary on Milestone
Contract Management	Working with Dentons to identify appropriate panel members. Addleshaw Goddard have now been onboarded. Looking ahead, we are working with suppliers on contract management planning, ensuring that we track relevant KPIs and avoid duplication of work.
POL Disclosure	POL is recruiting additional staff to accelerate its disclosure process. Work continues on defining timeline. Working to resolve attempts by some claimants' lawyers to modify originally-agreed scope of disclosure.
Team Staffing	Team's 7 posts now fully staffed.
Scheme documentation	Panel ToR has been shared with Dentons for comments. Looking ahead, the Reviewer ToR is to be drafted and Addleshaw Goddard will work with claimants' lawyers and their experts on agreed approaches to common issues.
Financial Modelling/MI	Meeting with Addleshaw Goddard to agree data collection and reporting.
Communications and Engagement	Written evidence has been sent to the Horizon IT Inquiry for hearing on 27 April.



Key risks

Probability

	Very Unlikely (<10%)	Unlikely (10% to 15%)	Possible (35% to 65%)	Likely (65% to 90%)	Very Likely (>90%)
Very High					
High	R15	R16	R03	R01	
Medium	R10, R17	R13, R14	R02, R04, R05, R07, R12, R19		
Low		R08	R06, R09, R11		
Very Low					

* Impacts graded as per the Departmental Risk & Issue Management Framework.

ID	Short Name
R01	Cost uncertainty
R02	Underestimated delivery costs
R03	Claimants not compensated in time
R04	Inconsistency between compensation workstreams requires one or other to be reworked.
R05	Unsustainable levels of stakeholder engagement
R07	Timely POL disclosure
R08	Interim payments overestimated
R09	Claimants' lawyers create undue delays
R11	Expert evidence delayed
R12	Timely decision making
R13	Delay in HMRC disclosures
R14	Non-Compliance with data protection rules
R15	Spurious litigation from aggressive litigation firms
R16	Stakeholder pressure to increase the generosity of the scheme
R17	Scheme does not encourage claimants to claim against all relevant heads of loss
R19	Interlinked Claims



Feedback from GLO claimants' lawyers

Feedback received	Action taken
Continued concern about the pace of Post Office disclosures.	<ul style="list-style-type: none">• Post Office have agreed to recruit significantly more resource to accelerate disclosure timetable. New plan TBC.• Dentons are conducting a review of the overall scheme timeline for dealing with claims, with the aim of producing a plan agreed with all parties, including claimants' lawyers. The plan will be shared with this Board.• The pace of Post Office disclosure remains a concern for DBT and claimants' lawyers alike, but we are content that they are now working as fast as the availability of suitably-skilled individuals permits.
Requests from claimants' lawyers for Post Office disclosures going beyond previously-agreed scope.	<ul style="list-style-type: none">• Following discussion between Dentons and claimants' lawyers, a broad revised approach has been agreed. Details now being finalised.
Submissions to Williams Inquiry	[The Inquiry has not yet published these, and so we cannot share them with the Board. We will reflect them in a future report.]



Revised TOR for Board

The following TOR have been agreed by Minister Hollinrake in the light of Board members' previous comments:

The Board's aim is to help DBT to ensure fair and prompt compensation to postmasters affected by the Horizon scandal and related issues.

It will advise DBT Ministers on how best to manage the delivery of the **GLO Compensation Scheme** announced in December 2022, with the aim of ensuring that it:

- provides **fair compensation** to GLO postmasters;
- does so **promptly** – and certainly before the deadline of August 2024; and
- does so consistently with the expectations of Parliament that public money is spent in line with the **Accounting Officer's duties**.

It will advise DBT Ministers in respect of **DBT's oversight of other strands of Horizon-related compensation** by the Post Office, including the Historical Shortfall Scheme, arrangements for compensation in respect of overturned historic convictions and compensation for postmaster detriment.

The Board will not consider **individual cases** for compensation.

The Board should:

- be provided by DBT with **information** it requests as necessary to discharge its functions;
- review regular **reports** from DBT on the overall progress of cases within the various strands of compensation;

Item 5: Slide 9

- regularly review an **issues list** setting out unresolved policy or process questions (notably those relating to the maintenance of fairness between postmasters in different compensation strands) and a timeline for their resolution;
- consider such **issues** in accordance with that timeline;
- be consulted on **guidance** or equivalent documents relating to the various strands of compensation, and any subsequent changes to them;
- **monitor** the overall progress of all compensation strands, ensuring that processes are working well and identifying any blockages; and
- **provide updates** to the Accounting Officer and/or Minister if it believes that to be necessary.

Its membership will comprise:

- Professor Christopher Hodges (Chair), Emeritus Professor of Justice Systems at the University of Oxford and an expert in Alternative Dispute Resolution;
- Lord Arbuthnot and Rt Hon Kevan Jones MP, Parliamentary campaigners in support of postmasters; and
- Professor Richard Moorhead, Professor of Law and Professional Ethics leading the University of Exeter's Post Office Project.

DBT officials will attend as observers.

DBT Ministers will revise these terms of reference as they see necessary.



Item 6: Slide 10

Controls to assure fairness between schemes

The Department is working to achieve fairness – including consistency – between the OHC arrangements, the HSS and the GLO scheme through the following measures:

- The principles of each scheme are based on the **same established principles of law**;
- The Department’s oversight of all three schemes is led by the **same Senior Responsible Officer** (“SRO”), with input from the same lawyers, policy officials, accountants and analysts;
- There is considerable **cross-membership of the internal governance bodies** for all three schemes;
- The published **GLO principles were developed with the HSS principles as a starting point**, and whilst subsequent changes aimed to improve the accessibility of the guidance to postmasters and provide additional transparency about the approach in the light of HSS experience, those changes did not lead to any material disparity between the principles of the two schemes;
- So far as the compensation schemes delivered by the Post Office are concerned, there is **extensive discussion across the Department’s team about cross-cutting issues and solutions**, aimed at maintaining consistency; and
- We are considering arrangements for reviewing a sample of GLO cases against HSS precedents.

For most claimants and most heads of loss the Department is confident that these efforts are successful. The Department works to prevent other such issues arising in the first place, and where they do arise, it acts as quickly as possible to resolve them, whilst being careful that the solutions do not cause unintended and unfair consequences, including delay to settlements.

To provide greater assurance of this oversight the Department has recently taken the following two additional steps:

- The remit of **this Board** has been extended to include the Department’s oversight of the HSS and OHC.
- A new internal **Programme Board** of senior civil servants has been established, covering all three schemes, which will meet every four weeks. The Programme Board will review and resolve any interactions between the schemes relating to groups of claimants, heads of claim, processes, resources, risks, communications and lessons learned.



Item 7: Slide 11

Next meeting

Given the expansion of the Board's terms of reference, we envisage providing:

- A brief on the key issues for the OHC and HSS;
- A summary of progress in each of the compensation streams; and
- A list of cross-cutting issues affecting multiple schemes, with status reports.

We have not circulated these for the current meeting given the already heavy agenda, but plan to do so when a further meeting has been arranged.

We will also provide:

- our regular update on the GLO project, including feedback from claimants' lawyers; and
- material on any more detailed issues which the Board wishes to discuss.

