

-----Original Message-----

From: Paula Vennells
Sent: 26 July 2013 10:20
To: Theresa Iles
Cc: Alice Perkins CB
Subject: File note - SC

Theresa, please log this for me.

Alice: FYI.

Conversation with Susan Crichton on Wednesday 24 July at approx 6.15pm.

Purpose: to make clear to Susan that she is accountable for the process going forwards and that there are three areas of concern that I have going away on leave. And also, in order to protect the business as much as possible, to reassure her that I believe she can do this, in order to give her the confidence to do so and to avoid any misunderstanding or possible demotivation in the process.

- I asked Susan how she felt the meeting with Alasdair Marnoch (Chair of ARC) had gone. She thought he had understood and was supportive of the process. I confirmed that was the case and that he was particularly reassured that we had the legal and independence aspects covered.
- I also said that I had now had 2/3 conversations with the Chairman, who although she was still very concerned about the whole issue, was more reassured that we were taking the right approach, which included Susan seeing this through. I suggested that Susan should see Alice - Susan informed me that she had already secured a date next Thursday 31/7.
- I said that I was getting more comfortable as a result of our frequent discussions and that the different workplans, which are needed going forwards were looking more robust; but that the workshop on Thursday 25/7 was critical to gain agreement of all interested parties before we could count on our plans to deliver. Susan agreed and has this in hand. An update paper would be prepared for the Board.
- I outlined three concerns that I would want Susan to be clear about and have actions in place to deal with:
 - 1) costs: the CFO needs to agree all costs. And he needs to be involved in the immediate issue of negotiating with SS. SC needs a mechanism for monitoring ongoing costs. And with a contingency built in. That Susan via Angela needs to review weekly so that she has a steer on how we are tracking. I asked what MI might be needed?
 - 2) delivery of WIP: Susan needs to be clear of what is to be achieved each week and review progress/should she set up a progress report? This will mean the team actually doing what they say and Susan is to check this - ie., very close working with SS. And Susan to monitor in a disciplined way.

Susan felt that via Angela and her close working with SS, we should be able to manage the above two points. Her concern centred on JFSA and keeping them to any approach agreed. My observation to her was that Alan Bates will be subject to the same pressures as George Thompson: AB/GT agree a sensible way forward but when they go back to their members, they are accused of "going native" and then sent back with different and usually more extreme requests. The only way around this is to stay very close to AB, to be in touch once or twice a week, to check he has the support his needs, and to listen out for any concerns that may be building. Therefore:

3) JFSA: I am expecting that we maintain close and frequent communication weekly. I asked Susan to consider how this could be done as AB will not be London based. One or two 121 phonecalls from her and /or Angela might be the way forward. And we should consider meeting with him and his group if we think it would help. I also reminded Susan that we had agreed that I and she would meet AB and one or two of his more traumatic cases to listen. This needs to be set up.

Susan was initially frosty in her manner. She is clearly feeling the pressure, which is understandable. I hope that I reassured her, and within a few minutes we were talking normally, she relaxed and we had a useful conversation as noted above.

I remain concerned as Susan is not organised or structured nor is she a leader. These gaps in her capability are risks to the business. They are being dealt with by supporting her with individuals who are organised and structured, and by a process to monitor. She remains a good adviser. I will review the longer term decision in September.

Sent from my iPad