

PS 15/01-15/03

POST OFFICE LTD

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 12 January 2015**

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

PS 15/01

OPENING OF MEETING

A quorum being present, the Chair opened the meeting of the Sparrow Sub-Committee (the "Committee") and welcomed Mark Davies, Belinda Crowe, Rodric Williams and Patrick Bourke.

PS 15/02

INITIAL COMPLAINT REVIEW AND MEDIATION SCHEME

- (a) The Committee received a paper on the current position of the Initial Complaint Review and Mediation Scheme (the "Scheme").
- (b) The Committee discussed the immediate steps being taken by the Business in relation to the Scheme, with Post Office investigation into all cases now complete and 22 cases resolved.
- (c) MD explained that after the recent Westminster Hall debate the Business proposed to offer face to face meetings with each MP involved and, where appropriate, take them through their constituent's case. The Committee supported this approach and recommended that consideration be given to making a similar offer to all MPs who have a case in the scheme.
- (d) CA reported that changes to business processes had resulted in a reduction in current litigation cases. Post Office was not bringing a material number of new prosecutions, but in blatant cases of theft where large amounts had been stolen the police continued to prosecute the cases. The Committee was assured that cases were being prosecuted where appropriate.
- (e) The Committee discussed the Judicial Review (JR) advice provided by Tom Weisselberg QC, and asked whether it was inconsistent with the Beachcroft advice received in the summer. CA explained that the two sets of advice were not inconsistent, with the Beechcroft advice having

been given before the Working Group had started considering individual cases and Post Office had completed its investigations of all cases. Any decision to change the Scheme at that time would therefore have been based on Post Office's assessment of what might have happened, rather than on the facts, increasing the JR risk. Since then, the approach adopted by the Working Group of discussing each case on a case by case basis had reinforced the positioning that affairs of Working Group were now (given that all cases had been investigated by Post Office) a matter of private law -- that is disputes between Post Office and individual applicants - as opposed to "network wide" issues more susceptible to a JR claim.

(f) The Committee discussed Second Sight and their 'Part Two' report due to be finalised in April. The Committee agreed that the Business was unlikely to be able to stop this report from being produced but should press Second Sight to complete the individual case reviews by the end of March i.e. giving the cases priority.

ACTION:
MD

(g) The Committee asked the Business to produce an options paper to analyse the most effective ways to bring the Scheme to a sensible conclusion, taking into consideration; time; financial implications; PR and stakeholder management (MPs and the Minister); and JFSA.

(h) The Committee asked that the steps set out in the paper be taken quickly to mitigate recent activities of JFSA and the media, including:

- Providing a robust response to allegations in the media including writing to BBC lawyers where appropriate and engaging at a senior level with Programme editors;
- Writing to individual MPs who participated in the Westminster Hall debate to offer a meeting to discuss their constituents case and Post Office's position;
- Compiling a 'dossier' addressing the general accusations made against Post Office in the Westminster Hall debate and liaising with RC about how best to handle that with the Minister.

(i) The Committee agreed that the Business should:

ACTION:
CA/BC/MD

- continue to take a robust approach at the Working Group, focussing on the agreed TOR in an attempt to set the Scheme back on track, but with no presumption regarding the next steps for the Scheme;
- consider the most effective options to draw a line under the Scheme for consideration at a future Sparrow Sub-Committee; and
- provide a general update for the January Board

PS15/03

CLOSE

There being no further business the meeting was closed.

Alice Perkins