



UK Government  
Investments



Department for  
Business, Energy  
& Industrial Strategy

## HISTORICAL SHORTFALL SCHEME

### BEIS/UKGI STEERING COMMITTEE TERMS OF REFERENCE

Approved by the BEIS HSS SteerCo on 28/09/22

#### Purpose

1. The purpose of this document is to set out the Terms of Reference for the Department for Business, Energy & Industrial Strategy (**BEIS**) and UK Government Investments (**UKGI**) in relation to the BEIS Historical Shortfall Scheme (**HSS**, or the **Scheme**) Steering Committee (**SteerCo**). The HSS is being delivered by Post Office Ltd. (**POL**).
2. It is an internal document to be considered alongside the POL / BEIS HSS Operations Agreement. That document covers the role of POL and its interactions with BEIS (and UKGI as an agent of BEIS).

#### Roles of BEIS and UKGI

3. BEIS has an objective to see the successful delivery of the HSS that resolves claims pursuant to the HSS fairly, in a timely manner and that also provides Value for Money (**VfM**) for the taxpayer.
4. Roles of key individuals and teams can be seen below:
  - **Responsible Minister for POL:** The Minister for Small Business, Consumers and Labour Markets (**Responsible Minister**) provides ministerial oversight and support for key policy priorities, on behalf of the BEIS Secretary of State. The Minister also has high-level engagement with POL management.
  - **BEIS Permanent Secretary:** The BEIS Permanent Secretary is the Principal Accounting Officer (**PAO**) for POL. The PAO is accountable to Parliament in respect of POL and the spending of public finances through the HSS.
  - **Senior Responsible Officer:** This is Carl Creswell (BEIS Director responsible for POL). He and other senior officials are responsible for the overall delivery of the project and approving any policy decisions (which then may be escalated to Ministers and the Permanent Secretary for final approval, depending on the financial or political implications of the decision). These officials sit on the SteerCo.
  - **BEIS POL Policy Team:** Responsible for coordinating engagement across government, providing policy input and managing the resolution of policy issues. The team share responsibility with UKGI in preparing papers for SteerCo and supporting SteerCo their decision-making role. Members of the team are part of the WG. Legal support to the BEIS policy team is provided by BEIS Legal.
  - **UKGI POL Shareholder Team:** Assume the day-to-day lead in engaging with POL on the control arrangements, oversight and monitoring of the HSS. The team also support and help evaluate POL's financial modelling. The UKGI POL Shareholder Team shares responsibility with the BEIS policy team in preparing papers for SteerCo, working collaboratively with the BEIS HSS Working Group. The UKGI



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POL Shareholder Team is not responsible for providing legal or financial assurance on the HSS design, processes or operation to BEIS.

- **HM Treasury:** To provide the funding and budget cover to BEIS. HM Treasury will sit on the SteerCo, and HMT officials will be updated from time to time on the progress of the HSS.

### **The Steering Committee (SteerCo)**

5. The HSS POL / BEIS Operations Agreement sets out approval points and parties' responsibilities in relation to the set-up and operation of the HSS and the key decision points where POL will come to BEIS for approval. This interaction will be led by UKGI, with input from the WG and all key decisions will be put to the SteerCo unless delegated by SteerCo to the WG.
6. **BEIS HSS Steering Committee:** The SteerCo is the decision-making body for HSS matters and approvals. It will consist of:
  - Carl Creswell (BEIS HSS SRO and Director responsible for the Post Office)
  - Tom Taylor (BEIS CFO)
  - Joshua Fleming (HMT Deputy Director)
  - Patrick Kilgariff (BEIS Legal Director)
  - Tom Cooper (UKGI, POL Non-Executive Director) - Observer
7. The SteerCo is responsible for overall strategic direction and for providing certain approvals that will be submitted by UKGI, consistent with the process set out in the POL / BEIS Operations Agreement. The SteerCo is entitled to receive all such information it deems necessary in order to fulfil its function and may reserve the right to withhold a decision until such information is provided by the BEIS/UKGI HSS Working Group ("the WG").
8. Quorum for SteerCo meetings will be set at three attendees (excluding Tom Cooper as observer). Should a member of the SteerCo be unable to attend a meeting the individual may choose to delegate attendance to a member of their team.
9. The SteerCo will meet as often as deemed necessary. It currently sits fortnightly but meeting frequency will be kept under review. It can meet by correspondence.
10. The SteerCo will provide updates to the BEIS Permanent Secretary and the Responsible Minister as appropriate. From time to time there will be certain decisions that may have an impact on overall cost or on the delivery of the Scheme which the SteerCo may also wish to consult the BEIS Permanent Secretary and / or the Responsible Minister on.

### **Roles in Scheme Set-Up**

The SteerCo will oversee the design of the Dispute Resolution Procedure (DRP), to ensure that there is a clear and structured process to support claimants who would like to dispute their offers. The SteerCo will agree principles for negotiation with claimants and will have the right to approve offers (or offer ranges) made as part of the pre-mediation and mediation stages. The SteerCo will consider the fair and consistent treatment of claimants



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as well as ensuring that public money is utilised effectively, and in the interest of the taxpayer.

### **Roles in Monitoring the Scheme**

11. **Case Review:** On a weekly basis the WG will review the Panel's recommendations that meet agreed criteria following POL's initial review. This is to check for consistency issues and the WG may escalate any case to the BEIS HSS SRO that it deems necessary. Should any of the cases not be consistent with the precedent setting cases POL / HSF will be required to report to UKGI on why this is the case.
12. **Monthly Monitoring Meetings:** POL / HSF will provide UKGI with a monthly dashboard setting out where each claim is in the HSS process (e.g. how many are being reviewed by Case Assessors, how many are with the Panel, how many have been sent offers, etc.), alongside a commentary on month-on-month movements and an updated Scheme risk register. It will also contain an update on Scheme payments to date and a forecast total cost for the remainder of the claims to be considered (based on the HSF Clive 2 financial model).
13. There will also be a monthly meeting between UKGI and POL / HSF to discuss the dashboard and raise any queries or concerns. UKGI will provide a high-level update on these monitoring materials to the SteerCo on an ongoing basis.
14. **Quarterly Review Meetings:** There is a quarterly review meeting with POL / HSF and SteerCo to review progress made in the HSS.
15. **Quarterly Shareholder Meetings (QSMs):** QSMs are required by the Framework Document BEIS has with POL, and this is attended by UKGI / BEIS and senior officials. Materials used at the preceding Quarterly Review Meeting will be shared at this meeting, subject to material updates.
16. **UKGI Shareholder Representative on POL Board:** The UKGI Director will continue to sit on the POL Board.
17. **BEIS Right to Pause or Withdraw Support for the HSS:** The SteerCo will have the right, at any point, to advise the PAO or the Responsible Minister to pause or withdraw BEIS's support for the continued operation of the HSS.
18. **Public Sector Equality Duty (PSED) Responsibilities:** Throughout the management of the Scheme both POL and BEIS are required to consider its activities in light of the responsibilities under the PSED. BEIS cannot pass on its PSED requirements to POL. An initial assessment was undertaken as part of the business case, and BEIS will be discussing further with POL what monitoring information it is realistic and feasible to collect on claims paid to ensure that there is no indirect discrimination.
19. **Online Reporting in BEIS (ORB):** Further to the approval provided by the BEIS Projects & Investment Committee (PIC), the WG will agree with the BEIS Project Controls team GRO which elements of the dashboard provided to SteerCo should also be included in the monthly performance report through ORB.



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### **Secretariat & Preparation for Meetings**

20. The Secretariat for the Committee, including recording of actions and minutes, will be provided by the BEIS Post Office Team. The Secretariat will ensure SteerCo agrees the actions and minutes at the subsequent meeting or as soon as is possible thereafter.
21. The WG will discuss and agree the agenda, preparation of papers, escalation of risks and issues for SteerCo steers or decisions. The WG is responsible for communicating SteerCo decisions to POL.
22. The BEIS SRO is responsible for chairing the Steering Committee, with this responsibility delegated to the BEIS Policy deputy director in the case of their absence.

### **Data Sharing**

23. The Committee and WG will be required to review or handle sensitive personal and/or legally privileged and confidential data submitted by POL. The Board and WG will handle such data in accordance with the relevant data sharing agreement agreed between POL, BEIS and UKGI.

### **Other:**

24. **Funding Drawdowns:** Before the end of each month POL will provide UKGI with an estimate of the expected amount of settlements to be paid in the upcoming month. Subject to UKGI consideration and approval a submission to the BEIS Finance Director recommending payment to be made, by the end of that month.

### **Review of Terms of Reference**

25. The SteerCo Terms of Reference is considered a 'live' document that will be kept under review and updated as needed.