
From: Callard Richard (ShEx)[/O=BIS PRODUCTION/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=EF0FA57983304064B518D3B87774A899-RCALLARD]
Sent: Tue 10/06/2014 1:53:12 PM (UTC)
To: Batten Peter (ShEx); GRO
Subject: RE: Thoughts on Sparrow for this evening

Thanks, useful points here. Bit tricky to raise some of them given the sub committee on which i sit has opined and is now going to the board (eg option four) but will have a go.

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Sent from my Windows Phone

From: [Batten Peter \(ShEx\)](#)
Sent: 10/06/2014 12:19
To: [Callard Richard \(ShEx\)](#)
Subject: Thoughts on Sparrow for this evening

Richie

Some thoughts on the Sparrow papers that might be helpful in your discussions this evening.

The Board Paper

- This is a really good concise overview.
- The paper references "*progress is picking up pace*". For POL this is a catalyst for change, but it presents a difficulty in terms of handling (i.e. why is POL changing now that progress is finally being made, what are they hiding?). It also presumably makes it harder to secure Anthony Hooper's support for change – particularly as he suggests 18 months is not unreasonable. Separately, November 2015 is after the election, which is enticing to Ministers – who can point to an established process between now and the election.
- There is scope for a fourth option that is an extension of the second option. This would see SS play an advisory role to the Working Group, removing their costs, the bottleneck that they are creating, and the conflict that they find themselves in. The Working Group would then farm the investigations out either one or a number of firms that are able to investigate at pace. This would keep the Working Group together (which I expect to be a Ministerial requirement) and retains the Working Group as a useful body to neuter claims of a whitewash. A slight variant would be that SS continue to do some cases with other firms picking up the cases to help build and maintain momentum.
- Under para 4.5, Brunswick's advice around the "implacables" generating noise irrespective of option 2 or option 3 is probably correct, but the decision should not be influenced by this group. Given they are already 'lost' in the media context, the decision should be focussed on ensuring the continued buy-in of those groups that can be persuaded to remain supportive – this may undermine the move towards option 3
- In considering POL's legal position, it is important to remember that a lot of the criticism that was directed at POL last year was in regard to it taking an overly legalistic approach to the relationship with subpostmasters, and that it had failed in its duty of care. Although it is entirely appropriate to follow legal advice on the matter, POL must be careful not to fall into the same trap of appearing cold and heartless towards individuals who have incurred losses through muddleheadedness rather than malice. This is supported by slide 15 of the slide deck that finds that 67 of the 70 triaged cases cite support issues, this is more than double those that cite core Horizon matters.

The Terms of Reference

- You've made your own fairly comprehensive comments, a couple of additional thoughts:
 - What level of agreement is needed to enact a change to the ToR? I.e. does it need to be unanimous? In order

to get additional firms to investigate cases, would SS need to also be in favour...? (Could be like getting turkeys to vote for Christmas)

- Does POL have a replacement for Anthony Hooper in mind?

The slide deck

- On page 6, merging the second and third options gives you the fourth option I've outlined above
- Anthony Hooper suggests that 18 months is typical for an investigatory scheme of this nature. What comparators are there that agree with this, and more importantly, are there any examples where a scheme of this nature has successfully changed its nature mid-term.

Peter Batten | Shareholder Executive | Department for Business, Innovation & Skills |

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