

PS 14/16-14/18

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PROJECT 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 6 June 2014**

Present:	Alice Perkins (AP)	Chair
	Alasdair Marnoch (AM)	Non-Executive Director
	Richard Callard (RC)	Non-Executive Director
	Paula Vennells (PV)	CEO (by conference call)
	Chris Aujard (CA)	General Counsel
In Attendance:	Alwen Lyons (AL)	Company Secretary
	Belinda Crowe (BC)	Programme Director, Project Sparrow
	Mark Davies (MD)	Communications Director
	David Oliver (DO)	Project Sparrow
	Martin Edward (ME)	CEO Chief of Staff

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OPENING OF MEETING

A quorum being present, the Chair opened the meeting of the Project Sparrow Sub-Committee ("the Committee") and welcomed Mark Davies, Belinda Crowe, Chris Aujard, Martin Edwards and David Oliver.

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INITIAL COMPLAINTS REVIEW AND MEDIATION SCHEME – THE WAY FORWARD

- (a) The Committee received a paper on the current position of the mediation scheme, the progress to date and the associated risks and challenges.
- (b) The Committee discussed the three options set out in the paper with reference back to the three fundamental principles agreed by the Business for its approach to Sparrow:
 - to gain a fuller understanding of the facts;
 - to ensure a fair outcome; and
 - to highlight lessons learned so that improvements can be made to Business processes.
- (c) The Committee reviewed the status of the mediation scheme and the urgency of any decision if it meant moving away from the current position (Option 1). The Committee agreed that Option 3 would be its preferred option subject to the Minister's support and there being a low probability of a successful application for a Judicial Review. This would be recommended to the Board.

ACTION:
Mark Davies/
Belinda Crowe/
General Counsel

- (d) The Committee asked for a paper to the Board explaining the three options. The General Counsel was asked to ascertain the risk of a successful application for Judicial Review, the likelihood of it

succeeding and the additional costs of defending such an action.

(e) The Committee agreed to recommend to the Board that:

- Option 1 (continuing as is) was untenable given the challenges it posed to the best interests of the business and value for money.
- subject to further legal advice on risk of Judicial Review, the Chairman would explore with the Minister the extent to which she would be prepared to support Option 3 and explain the alternative approach of Option 2 as a fall-back position.
- the programme team and the Communications and Public Affairs Directorate should continue to plan for the implementation of both Option 2 and Option 3 on a contingency basis.
- an approach should be developed for Option 2 which is sensitive to stakeholder handling but which could be implemented quickly in the event that the risks associated with Option 3 prove unacceptable.

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CLOSE

There being no further business the meeting was closed.

GRO