

**July 22nd meeting with Paula, Ian, Mark Davies, Alwyn,
Susan, James and RW**

PAULA VENNELLS: ... so we need to get some more balance into that. Ron alluded to changes we can make going forward so, in terms of looking at our current processes, to make sure that there's ability to appeal outside the line, to make sure that those processes are really adequate and which stand up to 21st century standards as opposed to practices which might be more old fashioned.

FEMALE SPEAKER: Ron, just -- sorry to interrupt, you should it now come through.

RON WARMINGTON: Okay.

JAMES ARBUTHNOT: There is another issue, which is that these are not the only cases.

PAULA VENNELLS: No, we understand that, and that's one of the things we were trying to address.

RON WARMINGTON: Got it. Thanks.

PAULA VENNELLS: It's something that will work and continue to work going forward, and that this process could be used, subject to it being successful, for other cases going forward.

JAMES ARBUTHNOT: Good, because we are holding a number of cases -- Janet is holding in my office a number of cases that have come through from MPs since the statement in the House of Commons.

PAULA VENNELLS: Yes.

JAMES ARBUTHNOT: So if that is -- could deal with those as well, I think that too would be helpful.

PAULA VENNELLS: So I think if you look (interference:

noise due to photocopier) then what we want and must be able to (inaudible) balance this process and to make sure the process operates so that it's moving with the requisite amount of care and control, but also with speed, so that we get through some of these processes, because one of the issues, I think, is that it's taking a long time to get through it and (inaudible).

It would also (inaudible) the oversight board would probably (inaudible) 12 months for the operations and everything like this going forward (inaudible) is this something we keep in place forever, or is it something that looks a bit (inaudible) the right thing to do, because (inaudible).

And that may be moving towards an adjudication or it may be keeping the process in place, and hopefully, as I said earlier, if we varied the processes internally, in terms of having more influence from outside the direct line of management, you will get more -- or less coming into the top (inaudible) more balance within the (inaudible).

And I think also having a user forum would help (inaudible).

JAMES ARBUTHNOT: I totally agree. As a process this seems to me to be -- to marry-up the need to answer MPs' enquiries while keeping the requisite degree of pressure on getting these (inaudible). I don't know whether Ron or Ian agree that. I'd like to hear what they think.

IAN HENDERSON: I agree, and -- and -- anything where we, you know, bring two sides together and attempt to reach a consensus. I suppose my reservation is that that was built into the Second Sight review process and we were unable to achieve that. But, you know, we're not professional mediators and maybe, you know, with hindsight, that's not too much of a surprise.

I am conscious that mediation does rely on the

goodwill of both parties. It's not binding in any sense, unlike arbitration, but I would hope that with goodwill on both sides, you know, it stands a good chance of achieving what we all want.

JAMES ARBUTHNOT: I confess that I was intending to come here today to lose my temper both with Second Sight and with the Post Office, because what I could see coming down the line was that there was a risk that the Post Office might say the end of October is the end of the -- of this process, and Second Sight might say "There's nothing we can achieve by the end of October," and as a result MPs would be left in limbo with nothing having been decided and masses of money having been spent. But this process seems to me to resolve the both of those issues, and I think it's an extremely grown-up way of dealing with the outstanding problem.

IAN HENDERSON: James, I just had one supplemental point. The spot review approach that we had devised and taken for our own sort of reasons actually fits in very well with this proposal. It's almost a matter of top and tailing some of these spot review reports so they can then be turned into the sort of independent report that could form the basis of, you know, a discussion and a mediation.

NEW SPEAKER: Yes. What I will need now is the precise steps that I am to take with the new cases that the minister wished upon me, which is fine so long as all we know that MPs sending cases to me will not be fobbed off.

I would like also to have an email, if possible drafted by the Post Office and agreed with Second Sight, to set out for me how it works and which I can then send on to other Members of Parliament. All Members of Parliament will have taken up their cases because they cannot see the answers to the points that the subpostmasters and subpostmistresses are making, and so I, for example, would like to have something that I can go to with my constituent Jo Hamilton, and one or two others that happen -- my

constituents that haven't actually yet come into this process, which I hope will not, so that I can say, "This is what is happening, this is what you can expect."

And if that is the way it goes, we don't, I would hope, (unclear) monthly cut-off point, so that I could hope that we can say "This will be worked through until it's resolved either to your satisfaction or to your dissatisfaction but for good reason which we will explain to you." Then that would be all I would want.

IAN HENDERSON: Can I just mention one other sort of issue that ties in with that, and that is the fact that I think it is appropriate that we should require any subpostmasters or former subpostmasters submitting a case to set out exactly what their case is, and that I think has been one of the weaknesses in the process to date. You know, in some cases all we've got is a -- sort of a name and an address, and it is by no means, sort of, clear, you know, what their issue and what the (unclear) is.

JAMES ARBUTHNOT: Yes, there are a number of cases, all of which have come through the MPs --

IAN HENDERSON: Yes.

JAMES ARBUTHNOT: -- who have provided no evidence, and I have to be able to go back to the MPs to say "It's all very well providing a name, but I need some arguments as to why it was that you say that this finding was wrong or the process was wrong."

So if you can tell me who those are, not now but drop me an email, and what to say to the MPs, that would be helpful.

IAN HENDERSON: Yes, I mean what we --

JAMES ARBUTHNOT: Essential.

IAN HENDERSON: What we did with the JFSA case is that

there was quite a nice sort of paragraph setting out the standard of documentation expected in -- in a JFSA case, and I always assumed that there would be a similar provision applicable to MPs supporting, sort of, cases. So I think we've got a framework in place already.

FEMALE SPEAKER: In addition (inaudible), work out how (inaudible) did that, with somebody would go to the mediation (inaudible: audio too low to hear).

JAMES ARBUTHNOT: And if any cases get overturned as a result, there will need to be some (inaudible) as to what happens then. Probably in relation only to that case, but to the other cases that might only turn up as a result of that publicity, that arise out of that.

FEMALE SPEAKER: I think we need to work through every case. I mean, I know there will be (inaudible) I think actually the cases (inaudible)

IAN HENDERSON: How it's going to be done?

SUSAN: Yes, it's something that I found amazing (inaudible) actually on this and operated from a (inaudible).

RON WARMINGTON: Susan, Ron here, would you feel comfortable to echo to the meeting the points that I made about what I called the pre-mediation working session? Was that clear what I put in my email to you?

SUSAN: No, I thought that that would probably be covered -- I don't want to make this too many layers on, and I thought that actually we'd get the same (unclear) the subpostmaster had (unclear) that would enable them to (inaudible) their case.

RON WARMINGTON: Well --

SUSAN: Do you have an additional point around that (unclear) cases?

RON WARMINGTON: There are two points really. The first is that it's become very clear to me in dealing with the SPMs that, just as you said, they all have a different way of working. Some are far more articulate than others. There's a middle group that have a mate or a brother or a husband or a wife who is much more articulate and has picked up the cudgel for them and represented them in some way. So there are those. And it follows that the request to put their case decently will be quite a challenge for some of them. In the big picture of things that doesn't matter in regard to picking up the thematic issues but it means there's a lot in regard to the people that can litigate their case properly. There's that point.

The second point is that we know that in some of the cases now, some of the spot reviews we've looked at, particularly 21 and 22, we have those -- Horizon says they did it, the person says they didn't, and differences of -- or, if you like, clashes of fact. So we need to get to the bottom of those because I cannot see how a mediation team could possibly cope with an unknown or an X factor in the equation like that. Subject to that point we know, Susan has said already, I'm 100 per cent supportive of the proposal.

IAN HENDERSON: Susan, just a point made by Ron, I think it's implicit in the proposals that a case would not go to the mediation stage until the Second Sight investigation was complete.

SUSAN: On that case.

IAN HENDERSON: On that case. In other words, we had bottomed out any of these disputed sort of issues.

SUSAN: And that needs to be parked, so we (unclear) the working group --

RON WARMINGTON: Yeah.

SUSAN: -- the working party would (unclear) preferably Wednesday this week, or maybe Thursday, and it is your point about getting a group of Post Office people in a room who could help you work through the issues so we could have a (unclear) process around that, which I think should speed things up.

RON WARMINGTON: That would be hugely beneficial, rather than me sort of -- it's sort of -- it's a bit like the sort of English criminal court process, of a sort of combative style, which I think we've -- we're past, now. It's time for us to work differently.

SUSAN: Yes, I think that's right. So, we will -- so I think we should do the working group to work through those process and kick it around and make sure it's really robust, and then we need to set up the iterative process, once you have got some cases -- and you probably already have, because we've got ten spot reviews we haven't actually finished off -- to go through those and make sure that we -- you feel you've got to the bottom of the facts.

IAN HENDERSON: The other thing I'd like to do is front load some of this, and Ron, I think you and I have discussed this sort of briefly.

I mean, we have got ten spot reviews where we have had some responses. We know that there are some cases that frankly it will not take very much to reach agreement with the SPMR, and (unclear) Armstrong is the case probably at the top of the list.

What I would like to do is actually push those cases to the front of the queue, because I feel that this process that we're describing is one where success will build on success, and if we can explain to SPMRs and MPs that this is a viable way to move this -- this all forward, and actually give them some tangible evidence of this, possibly as early as October, that will actually make dealing with some

of the other cases a lot easier.

RON WARMINGTON: Yes, completely agree.

ALWEN LYONS: I think it would be good as well for the MPs who have turned up to every meeting, like, to do their cases quite quickly as well. I think that would be --

JAMES ARBUTHNOT: That would be extraordinarily helpful.

PAULA VENNELLS: For all concerned, I have to --

RON WARMINGTON: Alwen, was that you made that point?

ALWEN LYONS: Yes.

RON WARMINGTON: I agree. I think that's a really good idea.

ALWEN LYONS: Yes, so a couple of the extreme ones and a handful of those that, you know, will (unclear) process.

RON WARMINGTON: I think I did that in choosing the spot review 22, which was Mike Wood's constituent.

JAMES ARBUTHNOT: And also the Andrew Bridgen one you did.

RON WARMINGTON: Yes. So we're part of the way there.

But, for example, Tessa Monk's we case missed the cut. It didn't come in until after -- until very recently. So it's in the next batch.

JAMES ARBUTHNOT: But Tessa Monk said that she hadn't actually submitted (unclear) the case or the evidence, didn't she?

RON WARMINGTON: Not wishing to lay blame, it wasn't Janet's fault, it was Tessa's fault because it sat on her desk for a long time.

JAMES ARBUTHNOT: But Tessa said as much.

RON WARMINGTON: Yes. So yes, it's -- that's a case that will fall into the next batch, but probably at the top of the next batch.

PAULA VENNELLS: I think (unclear) and I think -- I hope it's something that we could work through this week in terms of process around disputes around the mediation piece but also round how we move forward and different ways of working.

RON WARMINGTON: Yes.

PAULA VENNELLS: Just a question on the working group, because we talked about it in two contexts. One is, because we are as keen as you are, James, to get this under way, the working group in my mind has to meet this week to thrash out the things that we just talked about -- oh, yes, and (unclear: simultaneous speakers).

Then a working party, if you like, the working party meets this week to really grind out the details. Then there is an ongoing working group, which I think responds to Ian and Ron's point, that how do you get -- rather than kind of bashing things across a tennis court or, you know, confrontationally, but actually there's a working group which meets regularly to review where there are issues. And by regularly, in my mind we're talking weekly.

So Second Sight move in, we find you some desks, we find you some more resource, we're available as much as you want, we put some dedicated people there to answer all your questions on an ongoing basis, and then there is a formal weekly meeting of that group so that we can resolve any issues that become particularly extreme during the week.

Ron and Ian, does that sound okay to you?

RON WARMINGTON: It works for me.

IAN HENDERSON: Yes, I'm just flagging up one other sort of issue tied in with that, and I know you've got your own arrangements in place, but some of this is going to be dependent upon on a quick response from Fujitsu, certainly on the technology issues, so you may need to have sort of parallel discussions with them.

JAMES ARBUTHNOT: I had a meeting last week with the Chairman, the UK Chairman of Fujitsu. It was actually about a defence issue rather than this. But I said Fujitsu had been, so far as I could tell, responding very well to enquiries on this and he was pleased to hear that. He was aware of it going on but --

PAULA VENNELLS: So that's useful to know. I mean, I think they have. But Ron is right that there's just -- one doesn't know how long it takes to get technical answers for things and I suppose that -- may we use that channel if we need to in future?

JAMES ARBUTHNOT: Certainly. Certainly because praising Fujitsu means that they will want to keep that praise in (unclear).

PAULA VENNELLS: Yes, yes. Okay. On the sort of working group level of Fujitsu, could we -- was there a specific (unclear) to your request. Have you come across the fact that they're slower than you expected?

IAN HENDERSON: Yes.

PAULA VENNELLS: Okay, that's what I want to hear. So can we get some specifics on that and can we then go back to them, and if you don't want to (unclear) to go and --

IAN HENDERSON: One thing I'd say is we need to get their commitment and buy-in to this process because it will be, you know, less than satisfactory if we're all working collaboratively and we actually then find that the hold-up, you know, is the slow

response by Fujitsu which then slows the whole process down.

RON WARMINGTON: Ian, one other point supporting what you just said, we've had incredibly high quality material put together by Gareth Jenkins of Fujitsu, who obviously knows the system like the back of his hand, and do I get the sense that he's coming up to retirement? That could be quite a problem for us, if he's about to leave. Did you get this?

SUSAN: To be honest, Ron --

RON WARMINGTON: I got that from Ian. Ian, did I imagine that or did you mention that to me at some point.

SUSAN: Let's take that offline, I think.

IAN HENDERSON: Yeah.

RON WARMINGTON: Yeah, okay. He is a particularly high quality individual and has done -- what he writes is really good. So, you know, if that were to be the case Fujitsu would need to field somebody nearly as good.

PAULA VENNELLS: Okay. Well, we will take that. Thank you for raising the points. I think two things: one is we need to go back to Fujitsu with some specifics around turnaround times -- we've got those, I think -- and then I think, secondly, this guy Gareth whether he's replaced or, in fact, whether we might want to use him in some way if he does leave Fujitsu, is in the process, if he's a good quality individual.

RON WARMINGTON: He certainly is that. Ian, you've had more contact with him than I have but I've seen lots of his work in writing.

IAN HENDERSON: He's superb and he's sufficiently sort of mature to actually almost be independent, you know, even though he is a Fujitsu --

PAULA VENNELLS: I mean, maybe they can allocate it
(unclear) on his way to retirement (unclear).

RON WARMINGTON: Yes, exactly. Sorry, yes, it is a bit
beyond our brief saying that.

JAMES ARBUTHNOT: The Chairman of Fujitsu, Simon
Blagden -- he's the non-exec Chairman -- and he and
I have exchanged warm emails since the meeting last
Wednesday.

PAULA VENNELLS: And the last thing on Fujitsu that we
should pick up internally is that of course they're
a supplier (unclear) is going to go to the market
again for our IT procurement going forward. So it
would be very strange if they weren't more than
helpful on this process.

RON WARMINGTON: Mmm.

PAULA VENNELLS: Okay. Susan, what else do we need to go
through (unclear) time?

SUSAN: I suppose one of the issues we need to go
through is the filtering and I think James has
touched on it there and it's under the MP cases and
we've been talking about Janet getting the JFSA
(unclear). I think it was just really to reinforce
the point about cases having evidence. So I think
that the conclusion that we came to on that is that
we would draft, or Ian would draft, an email people
send out to the MPs where we haven't got the
evidence, ask them to supply that or ask them
(unclear) supply it --

JAMES ARBUTHNOT: Yes.

SUSAN: -- which would help us move those forward
because at the moment they're a bit stuck.

JAMES ARBUTHNOT: Yes.

SUSAN: We can do the same with the new cases that have
come in (unclear).

JAMES ARBUTHNOT: Yes, and we'll also have to work out what happens in relation to the responses which will be, "Well, we can do A and we can do B, but we can't do C, D, or E". But that we'll deal with --

SUSAN: -- case-by-case basis.

IAN HENDERSON: Have we given any thought to the Shoosmiths cases and how they potentially fit into --

ALWEN LYONS: So, as a lawyer, I just jumped in and say clearly if mediation doesn't prevent people going to -- taking a civil action against us if that's what they would prefer to do. So what I'm offering is a -- I think trying to listen to what people's point of view is is a relatively low cost way through this and it's something that we could manage quickly. If people want to use Shoosmiths for a civil case against us, clearly that would be their decision.

IAN HENDERSON: Yes, I mean, the reason I raise it is Shoosmiths did attend as observers the two meetings that we had to your, sort of, office and I think I'm raising it more the sort of a question as to whether or not a Shoosmiths case falls within or outside the scope of this process. I suppose the answer is it depends on the individual SPMR.

JAMES ARBUTHNOT: I think they would be unwise to pursue litigation as opposed to mediation. As you say, it's entirely --

PAULA VENNELLS: Their decision.

JAMES ARBUTHNOT: -- their decision. I'm content.

RON WARMINGTON: So am I.

PAULA VENNELLS: Okay. Ian?

IAN HENDERSON: Yes.

PAULA VENNELLS: Quit. while we're ahead then.

JAMES ARBUTHNOT: Quite.

PAULA VENNELLS: (Unclear) underestimated.

SUSAN: Okay, cheers everyone. Thank you very much.

PAULA VENNELLS: Good luck with the foot.

RON WARMINGTON: It's recovering already. I didn't want
to come up in sandals.

PAULA VENNELLS: Can I just check you will (unclear).

IAN HENDERSON: You will get an email from ...

(Call ended)

RON WARMINGTON: Right, good.

(Recording ends)