

Witness Name: Peter Batten
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POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF PETER BATTEN

I, **PETER BATTEN**, will say as follows:

1. I am employed by the Department for Energy Security and Net Zero (“DESNZ”) as a Grade 6 team leader, overseeing a number of delivery contracts relating to the UK government’s International Climate Finance commitments. This is a role I have held since July 2020. Until February 2023, DESNZ was part of the Department for Business, Energy, and Industrial Strategy (“BEIS”).
2. I joined the Civil Service in 2008, shortly after graduating from a university undergraduate course. My career as a Civil Servant is covered in further detail below. I was employed by the Shareholder Executive (“ShEx”) between September 2010 and December 2014.
3. I make this statement in response to a Rule 9 Request made by the Inquiry dated 9 August 2024. I have sought to address all the matters raised by the Inquiry. The events that I describe in this witness statement occurred approximately 10 years ago and I am therefore reliant, to a significant extent, on the contemporaneous documentation I have been able to review. I have not had access to all the

documents and e-mails that I would have had at the time. I have sought to make clear in this statement where I have a direct recollection of the matters I describe and where I am relying on the documentation I have seen as part of this Inquiry, some of which I am not aware of having seen at the time. I have also sought to make clear where I am applying hindsight rather than describing my views at the time. In preparing this statement I have been assisted by lawyers employed by UKGI, by Eversheds Sutherland (International) LLP (the recognised legal representatives for UKGI in the Inquiry).

4. To begin this statement, I want to recognise the many hundreds of subpostmasters who have been victims of a horrific miscarriage of justice at the hands of a publicly owned company, and the long-lasting harm this will have caused to them personally, and their families. The survivors of this injustice deserve to understand what went so badly wrong to allow such a deeply flawed system to be introduced, to be maintained, and to be defended to the last. I hope to explain everything I can recall as clearly as possible to assist the Inquiry and for this to support the Inquiry in helping all core participants understand what went so dreadfully wrong, and in providing recommendations for tangible and lasting changes that serve to prevent such suffering occurring again.

My role in the Shareholder Executive

5. Before I began work at ShEx, I had been an Executive Officer within the Department for Business, Enterprise, and Regulatory Reform (a forerunner of BEIS), working in the Private Office for the Special Advisors within the Department, a role I held for 22 months between November 2008 and September 2010. An Executive Officer is an entry-level administrative grade, where you are

concerned with diary and document management, note taking, and more substantive work on non-contentious portfolios and issues.

6. I joined ShEx in September 2010 following an open recruitment process for a role as a Higher Executive Officer (“HEO”). As the name suggests, this represented a promotion to the next tier in the civil service. At that time, HEOs sat below Senior Executive Officers (“SEOs”), and Grades 7 and 6, the latter being the highest grade below the Senior Civil Service. As an HEO I was four tiers below the Senior Civil Service. At the time I joined ShEx, I was 23 years old.
7. The recruitment process by which I was appointed was led by Mike Whitehead, who was then the Grade 7 on the ShEx Post Office Team (“the ShEx POL Team”). Mike was a highly experienced civil servant who acted as my line manager. As I describe below, I succeeded him as the Grade 7 on the ShEx POL Team in December 2013.
8. Although I formally joined the ShEx POL Team, I initially spent almost all of my time working on the Postal Services Bill. I worked on the stakeholder engagement plan, supporting the Deputy Directors who were leading the Postal Services Bill team. The Postal Services Act was granted Royal Assent in June 2011, after which my time was divided between work towards the initial public offering for the Royal Mail privatisation and, increasingly, work for the ShEx POL Team. By the end of 2011 or the start of 2012, I was fully engaged on the ShEx POL Team.
9. At that time, the structure of the team was as follows:

- a. The Deputy Director led the team. This was Oliver Griffiths until he was replaced by Will Gibson.
 - b. Two Grade 6 civil servants reported to the Deputy Director: Jane Hoyle (who was later replaced by Katrina Lidbetter), and Tim McInnes. Jane and Katrina were career civil servants, whereas Tim had previously worked as a banker. Given their respective backgrounds, Jane and Katrina were responsible for matters relating to Government services, while Tim was tasked with financial reporting on the Post Office ("POL").
 - c. Mike Whitehead, the Grade 7, also reported to the Deputy Director. This was the role that I would take on Mike's retirement in December 2013.
 - d. The team contained at least one Fast-streamer, who would report to one of the Grade 6 role holders. Jai Nathan and Katie Wake worked in that role.
 - e. I was the only HEO in the team and, as such, was the most junior member until my promotion in December 2013.
10. As the HEO I fulfilled various roles. I was given specific responsibility for liaising with the BEIS Parliamentary team, and for drafting initial drafts to correspondence and Parliamentary Questions. By 2013, I assisted Mike on matters relating to Horizon and the Justice For Subpostmasters Alliance ("JFSA"), and work on a matter relating to the rateable value of ATM machines in Post Offices, a discrete issue but one that was important for those subpostmasters affected. I also worked with Katrina on matters concerning Government services and local authorities. My roles, and those of others in the team, are shown on the ShEx POL Team Planner that I circulated on 29 July 2013 (cover email dated 29 July 2013 (**UKGI00001878**); ShEx POL Team Planner (**UKGI00001879**)). Much of my work in this period would be signed off by Mike or

another member of the team. I also undertook various administrative functions on behalf of the team, as can be seen by the fact that I was the one who pulled together and circulated the Team Planner.

11. Mike Whitehead and Will Gibson resigned on the same day in December 2013. Mike was retiring, and his role was advertised via an open cross-government recruitment process in autumn 2013. I applied and was appointed, being promoted to fill the Grade 7 role. The new Deputy Director replacing Will Gibson, Richard Callard, was my line manager. My old role as HEO was not immediately backfilled, though in early 2014, James Baugh joined the ShEx POL Team. James was an established SEO, having previously worked for the Royal Mail Team (which had been disbanded following privatisation). James was the only member of the team for whom I had line manager responsibility.
12. As Grade 7, I took responsibility for those roles on which I had previously assisted Mike, including Horizon and the JFSA and the issue of local rates on ATMs, and for the matters on which he had previously been responsible, such as Network Transformation, Crown Transformation, consumer focus and stakeholders, and relations with the National Federation of Subpostmasters (“NFSP”) (Richard Callard being responsible for relations with the Communication Workers Union (“CWU”).
13. I left ShEx on 12 December 2014, about a year after my promotion to Grade 7, when I moved to the Department for Transport (“DFT”). I transferred as a Grade 7 following an open recruitment process to which I applied because of my interest in transport policy. I was promoted to Grade 6 in January 2016 and have remained at that grade. I stayed at the DFT until July 2020, when I returned to

what was BEIS to work in international climate finance. Since December 2014 I have had no professional responsibility for matters relating to POL.

Complaints Regarding the Horizon IT System

14. My knowledge of the complaints and concerns about the operation of the Horizon IT system developed from the bottom-up as a result of the work I was undertaking for the ShEx POL Team. I first learned of the complaints through my role in helping to respond to correspondence and Parliamentary Questions. Later, I became aware of the work of Second Sight and its Interim Report. My understanding developed gradually, from the second half of 2011. I was not involved in matters relating to Horizon before then, and do not recall having any knowledge of them, or of the early reports in *Computer Weekly* and other publications.

15. As the HEO for the ShEx POL Team, I was responsible for organising responses to questions posed by Parliamentarians, subpostmasters and members of the public on all matters relating to POL. The issue that generated the most correspondence was the ongoing Network Transformation programme, which led to many letters from constituency MPs and members of the public concerned about their local Post Office services. Later, during industrial action by CWU members in the Crown Post Offices, we received a large number of representations from members of the public expressing support for the aims of the strike, to which we had to respond. We also received complaints about Horizon. During the period in which I was involved, Horizon formed a small part of the total correspondence. Generally, it involved MPs passing on letters in which subpostmaster constituents set out their experiences and concerns. In the

majority of cases, we would respond to the MP and then hear nothing further from them on the matter. There were, however, notable exceptions, such as James Arbuthnot MP (now Lord Arbuthnot of Edrom).

Approach to responding to correspondence

16. When responding to a Parliamentarian as an HEO, I would draft a reply that would then be reviewed by Mike Whitehead as the Grade 7 before being sent to the Minister for approval. Ministers could, and did, send drafts back with amendments or requests if they were not happy with the draft provided. Letters to members of the public would go out in my name, or in Mike's name. Again, I was responsible for the first draft, which would be approved by Mike when required, for example when the issue raised was new, or involved a point of sensitivity or complexity, or when I wanted assurance.
17. These responses to Parliamentarians and members of the public were not drafted from scratch each time. Instead, there were precedents that could be used on particular topics, for reasons of both efficiency and consistency. This is usual practice in Government Departments. The language and terminology of these letters was therefore inherited to a certain degree, though it could change and evolve over time, with additional information or shifts in policy. The correspondence would also be discussed in weekly meetings of the ShEx POL Team, or more informally with others in the team. We worked in an open-plan office that was intended to encourage such discussions.

18. When I became the Grade 7, the same approach was followed, but with me taking Mike's role of approving correspondence at that level. When James Baugh joined the team, he took on my former role in assisting with the correspondence.
19. For responses to Parliamentary Questions (i.e. answers that would form part of the formal record of Parliament), a similar process would be followed, but with the additional step of approval by a member of the SCS. In most cases the Deputy Director leading the ShEx POL Team would do this, unless this person was unavailable in the time required. SCS approval would also be required for responses to Freedom of Information requests. If that response included reliance on an exemption from disclosure under section 36 of the Freedom of Information Act 2000 (prejudice to the effective conduct of public affairs), Ministerial approval was required.
20. Press enquiries would always be handled by the Department's Press Office. Depending on the topic raised, I might be involved in providing background information and suggested lines to the Press Office, but it would be for the Press Office to decide whether or not to use them.
21. Other than through the processes set out above, I do not recall ever personally advising a Minister on how a particular response should be framed, or otherwise advising on how to deal with an issue that a Parliamentarian, subpostmaster or journalist had raised.

Horizon-related correspondence

22. When dealing with correspondence and questions, the ShEx POL Team would often contact POL to ask for information about the case that had been raised. To

give an illustrative example, on 24 February 2012, Stephen Hepburn MP wrote to Ed Davey MP, who until earlier that month had been the Minister with responsibility for POL, to raise concerns about Horizon following contact from one of his constituents, Carol Riddell, on behalf of her husband who was subpostmaster of East Boldon Post Office (**UKGI00001408**). Mike then wrote to Martin Humphreys at POL, copying me and others, to ask for information about the case. Martin Humphreys responded by providing an account, from POL's perspective, of the investigation that had taken place and its outcome (**UKGI00001407**). The expectation within ShEx was that POL would provide accurate and full information, given that this was a request made both on behalf of the Shareholder and by a Minister who was seeking information about an issue raised by a Parliamentarian. There was nothing on the face of Martin Humphrey's response that seemed implausible at that time, and the ShEx POL Team did not have direct access to the operational resources or operational expertise to further investigate the matter itself. The information provided by POL therefore formed the basis of the reply that was sent to Stephen Hepburn MP by the Minister, now Norman Lamb MP, which also stressed that these were considered to be operational matters that were the responsibility of the management of POL (**UKGI00013948**).

23. As part of my preparation for this statement, I have read Carol Riddell and Alan Riddell's human impact statements that provide much greater detail about the suffering the Horizon system caused, and continues to cause, them. It is not possible to read their statements without reflecting on the response sent twelve years ago, and consider what they would have felt when reading it.

24. This approach reflected the fact that POL was run as an Arm's Length Body ("ALB"), and Horizon was seen as an operational matter that was the responsibility of POL rather than ShEx. The ShEx POL Team was small and did not contain the degree of operational expertise that would have been required to intervene directly in trying to resolve what seemed to be a dispute among some subpostmasters and POL about how Horizon was operating. More widely, it was not the job of those of us in ShEx to try to man-mark those in POL with operational responsibility for the matters about which Parliamentarians and others asked questions. It would not have been possible to have acted otherwise, given the range of topics that prompted correspondence. Nor would it have been consistent with principles of good governance, as it was for the POL Executive, overseen by the relevant Board (the Royal Mail Board before separation, and the POL Board thereafter), to take responsibility for the day-to-day running of the company. In this regard, following its separation from Royal Mail, POL was falling into line with the other assets in which ShEx exercised the shareholder function on behalf of Government Departments.
25. However, there was no absolute distinction between matters that were "operational" for POL, and those in which ShEx and the Department would become more involved. The work done by Jane and Katrina on encouraging Government Departments to use POL as their front office in providing services to the public was an example of such a grey area. As Horizon became more prominent an issue, including via the commissioning of Second Sight, ShEx, Ministers and the Department for Business, Innovation and Skills ("BIS") became more engaged in monitoring POL's handling of it. However, during the time when I was with ShEx, the Postal Services Bill and subsequent transaction, separation

of POL from Royal Mail, and securing funding for Network Transformation were the issues on which ShEx and Ministerial attention was most focussed.

26. In addition to these structural points, and with the benefit of hindsight, I think there are a number of reasons why I did not do more by way of challenging POL's answers to questions raised about Horizon at this time. First, we had to deal quickly with the correspondence we were handling. For Ministerial replies to Parliamentarians, we had a limited time period to provide a draft response to a Minister. This timetable could be a disincentive to seeking to explore further information beyond the initial responses to our queries, particularly if the initial response seemed plausible. Second, during my time working on matters relating to Horizon, Ministers usually signed the draft responses provided to them and rarely sought more information, giving implied assurance they were content with how ShEx was engaging with the issue. Third, the whole POL team was fully deployed and did not have the capacity or direct access to operational information to pursue additional avenues of inquiry. Fourth, the information that was received from POL seemed credible. Cases were investigated and details provided, sometimes with an indication about how subpostmasters had been advised in response to their concerns. This gave a sense that each case was being considered on its merits. As I have said, we expected full and accurate information to be provided by POL. Fifth, at that time IT projects instilled greater confidence within Government, and I and others lacked the wider experience and context of failed or flawed IT systems that we now have. Finally, as a personal reflection, I was at that stage a very junior, young and inexperienced civil servant, which may have inhibited my confidence in my own curiosity when engaging in matters where I lacked technical knowledge or expertise.

27. A further factor that I think influenced my response, and that of the wider ShEx POL team, to questions about Horizon was the attitude of the NFSP. We saw the role of the NFSP as being the voice of subpostmasters and to champion their cause. We would have expected them to bring problems to our attention, and to help us understand issues affecting their members. The NFSP had access to Ministers and a generally good relationship with the ShEx POL Team. There were ample opportunities for it to raise concerns, but not only did it not do so, it actively discouraged Government curiosity and intervention in the Horizon issue by suggesting that there were only a small number of cases, some of which might be explained by “bad apples”. This was, I believe, influential given that this was the organisation that was supposed to stand up for its membership. I was aware, in broad terms, that NFSP had a funding relationship with POL and that their members relied on people having confidence in Post Office services, but at the time I did not see this as being a reason for NFSP to disregard something that was so important to the wronged subpostmasters. After all, the NFSP did challenge POL Management on other matters fundamental to the future of the company, including in respect of Network Transformation and mutualisation. Had the NFSP raised concerns with the ShEx POL Team and with Ministers – as it had plenty of opportunity to do – I think that this would have led to ShEx pushing POL further and earlier on the accuracy of the information that it was providing.

Meetings with Ministers

28. I am asked what involvement I had in meetings between Ministers and others (including Alan Bates, now Sir Alan Bates) to discuss complaints about the integrity of Horizon. I do not recall playing a role in any such meetings. I was

asked in February 2012 by the Minister's Private Office for background information in order to inform a response to an invitation to Norman Lamb MP to join a meeting of subpostmasters arranged by James Arbuthnot MP, but I was not involved in advising whether or not he would attend (**UKGI00001403**). As an HEO at the time, I would not have expected to have been involved in such a discussion.

29. The February 2012 exchange is helpful in showing the relationship between the Minister's Private Office and ShEx. The Private Office was extremely important in conveying to ShEx the matters about which the Minister was interested and the types of advice and information that he or she was expecting to receive. The Private Secretaries of the Minister with responsibility for POL worked closely with the ShEx POL Team and this would shape the submissions that went to the Ministers, and the way in which advice was framed.
30. I am asked to describe any meetings that I recall attending in which Horizon integrity, the prosecution of subpostmasters, or related complaints by subpostmasters were discussed. I do not recall attending any such external meetings as an HEO, and I can see from the papers provided that I was not included in a meeting that took place with the Minister, Jo Swinson MP, in July 2013 in which JFSA issues were discussed ahead of a meeting between her, the Secretary of State and James Arbuthnot MP (email to attendees dated 3 July 2013 (**UKGI00001654**)). I am not surprised by this, as it was the three most junior members of the team (me, Jai Nathan and Tobi Adetimilehin) who were not included in the meeting.

31. I was present in internal ShEx POL Team meetings at which Horizon and complaints about Horizon were discussed, including Quarterly Review meetings, some of which I discuss later in this statement. I am afraid I have no effective recollection of what was discussed beyond what is contained in the minutes, notes and other records of those meetings.

Second Sight and the Interim Report

32. I played no role in the decision to appoint Second Sight to conduct an independent review into the complaints made about Horizon. I can see from an email dated 16 July 2012 that I had to ask Martin Humphreys of POL about the details of the review, including how many cases it was to consider and when it would be completed (**UKGI00001433**). This reflects the fact that the Second Sight review was instigated by POL on the basis that this was considered to be an operational matter that lay within its area of responsibility. At that time, ShEx saw its role as being to try to encourage the relevant stakeholders – POL, the JFSA, subpostmasters and the campaigning Parliamentarians – to work together to try to develop a process that would lead to a quick and just resolution. I understood that the Second Sight review was broadly welcomed and so it appeared to be an effective way to proceed. I remember James Arbuthnot MP's support being particularly important.

33. I can see that in his response to my email of 16 July 2012, Martin Humphreys emphasised that the review concerned only a “very small number of individual cases” within a context of “many millions of branch reconciliations,” and that POL “continues to have absolute confidence in the robustness and integrity of its branch accounting processes” (**UKGI00001433**). These comments were typical of

those made by POL at the time. Its position was one of complete confidence in Horizon as a system.

34. On 18 July 2012, I sent Martin Humphreys a further email asking for information about a specific case raised by a subpostmaster. I also wrote that it would be “helpful to know how many SPMs have been dismissed for false accounting/theft/etc since the introduction of Horizon (and whether this is proportionately higher or lower than before the introduction of Horizon)” (UKGI00001436). I cannot now recall precisely why I asked for this additional information, though I suspect it was because of the amount of correspondence and discussion that Horizon was beginning to generate at that time. I probably discussed the request with Mike Whitehead and other team members.
35. Martin Humphreys replied on 27 July 2012 with the details of the case I had raised with him. On the wider questions that I had put, Martin Humphreys said: “we do not have data on this as it is going back many years – and there are so many other factors at play that even if we had the info what conclusions could be drawn” (UKGI00001436). So far as I can recall, I did not follow up on this point. In part, this was for the reasons that I gave earlier in this statement. I may also have been influenced by my experience of POL being generally poor at sharing network level data with ShEx in respect of Network Transformation and other projects. The instruction of Second Sight would, it was thought, provide this degree of independent, expert scrutiny.
36. I was copied to Mike Whitehead’s submission to the Minister, Jo Swinson MP, about the Horizon issue on 4 October 2012 (UKGI00016102). This recorded the position previously adopted by Ministers and noted that ShEx was keeping “an

arm's length distance from the review," such that we did not at that time know how many cases it would consider or what the expected timescale for results would be. This seemed to me to be sensible. The process had been established with the support of other stakeholders, ShEx could not add substantially to it, and to intervene would risk upsetting the delicate balance that had been achieved. The thinking at that time was that if the process was going to work, it would work by being independent of Government.

37. I do not recall having much more involvement with the Second Sight investigation until late June 2013, when it became clear that what has become known as the Interim Report was about to be provided to POL and then published. I can see that I was copied into an email dated 28 June 2013 in which Martin Edwards of POL sought to arrange a meeting with the ShEx Team on 5 July 2013 to discuss the report (**POL00189533**). It was unsurprising that POL was seeking such a meeting.

38. I can see from the papers provided to me that in the days that followed I was involved in various email discussions about the potential response to the Interim Report in the media and in Parliament. Again, this is unsurprising. The reaction of James Arbuthnot MP was particularly important given his prominent role in the campaign for the subpostmasters. There were discussions about the sequence in which he should discuss matters with the POL CEO, Paula Vennells, and the Minister, with it being thought appropriate that he should speak to the former first as she would be better informed about the work of Second Sight and Horizon generally. Consideration was also given for how to respond to an urgent question that James Arbuthnot MP was thought likely to table once the report had been

published on 8 July 2013. I was copied in on these emails and I would have contributed to some of the drafts that circulated, at pace, in those days. I was still the most junior member of the team and so my role was limited and subject to review by those more senior to me both within the ShEx POL Team and the Minister's Private Office. As I mentioned earlier, I was not asked to go to the meeting with the Minister on 3 July 2013 (**UKGI00001654**).

39. I did, however, attend the meeting on 5 July with Alwen Lyons, Martin Edward, Mark Davies and Nina Arnott of POL, and Will Gibson and Mike Whitehead from ShEx (meeting invitation dated 5 July 2013 (**POL00296917**)). Again, I was the most junior official present. I remember that the meeting was held, but I cannot now remember the specifics of what was discussed, though expect it related to POL providing an overview of the Interim Report to ShEx as their shareholder.
40. A draft version of the Interim Report was provided by Second Sight to POL that day, and POL provided this to ShEx in hard copy. I believe we were provided with a hardcopy of the report at the meeting, which was held at POL offices in Old Street. I was tasked with providing an initial summary of the report on return to ShEx's offices in Westminster, which was subsequently sent to the Minister's Private Office (cover email dated 5 July 2013 (**UKGI00001693**); attachment initial summary of report – (**UKGI00001695**)). From memory, and based on the times of the meeting (08:30 to 09:30) and the email containing the summary (14:29), I had only a few hours to read the report, summarise it, obtain approval of the summary, and then provide that to the Minister. It would have been a pressured few hours and my summary was plainly not, nor was it intended to be, the final word on the Interim Report. A scanned copy of the hard copy of the version of

the report that had been provided to us by POL was also sent to the Minister. This document was annotated with Mike's handwriting (**UKGI00001694**).

41. In the summary, we used the word "anomalies" to refer to the two defects or "bugs" that were identified in the Interim Report (which I understand the Inquiry refers to as the Receipts and Payments Mismatch Bug and the Suspense Account Bug). Inverted commas were placed around the word, suggesting that it was a new term in the context of our understanding of Horizon. I do not recall being aware of these two bugs or defects before, and to the best of my knowledge ShEx was not aware of them either. I think we gained our initial understanding of them from the Interim Report.
42. I do not recall why we used the word "anomalies" rather than "defects", which was the term used in the Second Sight report. I do not remember having any discussion with POL or anyone else about using "anomalies" rather than "bugs" or "defects" and I was unaware of any discussions within POL about this. I do not think I was aware at the time of any significance in the distinction between "anomalies" and "defects" in the context of the Second Sight Interim Report.
43. The three key themes of the report that we sought to get across in the summary were: first, Second Sight had "so far found no evidence of system wide (systemic) problems with the Horizon software"; second, that Second Sight was more critical of the wider aspects of the operation, such as the interface with linked systems, the complexity of some processes, and the perceived lack of training; and third, Second Sight had reported that POL had identified two defects/anomalies/bugs that had affected 89 branches in total.

44. On 9 July 2013, the day after the Interim Report was published, I sent an email to Rodric Williams at POL, requesting information “about the number of convictions,” a breakdown of the type of conviction, and the number of cases in which there were allegations that “Horizon was to blame.” The email also referred to a voicemail that I had left Rodric Williams and a conversation that he had had with Will Gibson on this point, which would have given more context to the request that I was making. Will Gibson followed my email with a more detailed series of four questions, to which he requested answers “very urgently” (**POL00099141**). Will’s email forwarded mine, although it is timed later – I am not sure why this is, but I am confident that my email was sent first.
45. The context to this request was as follows. We had learned that James Arbuthnot MP was intending to put an urgent question to the Minister about the Interim Report, highlighting his concerns about possible wrongful convictions. Submissions and briefings were circulated about how to respond before it was decided that the Minister should give an oral statement. I was peripherally involved, but very much in a junior role with decisions on strategy and wording taken by others. One of the documents prepared for the Minister was a draft Q&A sheet (**UKGI00001818**). I played a role in pulling together existing information and placing it in this document. Question 7 of the draft was: “In how many of these cases were there allegations that Horizon was to blame?” The reference to “these cases” appears to be to the 47 cases that Second Sight were considering at that time. The answer in the draft was that: “Of the XXX cases that the Post office has prosecuted since 1999, XXX were for charges of theft, false accounting and fraud.” I believe that my email to POL was prompted, initially, by the need to fill in the gaps for the Q&A sheet. Additional details were requested (such as the

number of guilty pleas and acquittals), as they were thought to be helpful in informing ShEx and the Minister.

46. The incomplete answer in the draft Q&A refers to the total number of POL prosecutions since 1999, not just the 47 cases considered by Second Sight. I am not sure why this is, although I suspect it was a “holding” draft that might have to be altered when we received the relevant information. As is standard practice, the Q&A would go through several iterations before being signed off at Deputy Director level and then being provided to the Minister. This was because the information might have been used to inform a Parliamentary statement or answer. It is perhaps of interest that the Q&A used the word “error” to describe the bugs/defects that were reported by Second Sight. I do not know why that word was chosen on that occasion.
47. In my email, I wrote that the information I was seeking had been urgently requested by the Minister’s Private Office. I do not recall now whether this was a specific request from the Private Office for this precise information, or whether I was invoking the Minister in order to engage POL and impress upon it the importance and urgency of this request (given that, ultimately, this information was intended to go to the Minister to inform her comments in Parliament). The fact that Will Gibson, the Deputy Director, weighed in with an email of his own suggests to me that we were trying to ensure that POL answered the questions quickly and fully.
48. POL’s response to the questions posed was sent by Hugh Flemington to Will Gibson a couple of hours later (**POL00060681**). I was not copied into this email chain.

POL's reviews of criminal convictions

49. I am asked by the Inquiry what I knew of POL's review of criminal convictions from July 2013, and specifically whether and when I saw the following documents:

- a. Simon Clarke's advice of 15 July 2013 (**POL00006357**)
- b. Simon Clarke's advice of 2 August 2013 (**POL00129453**)
- c. Brian Altman KC's interim review (**POL00022619**)
- d. Brian Altman KC's general review (**POL00006581**)

50. I did not see these documents at the time and only read them when they were provided to me by the Inquiry. I have very little recollection now of what I knew, and when, about POL's review of criminal cases. I can see that in an email to Will Gibson and me on 5 July 2013, Mike Whitehead mentioned that POL had "commissioned external lawyers to review all cases where legal action against an spm has been initiated by POL since separation or may be pending) in light of the interim report findings" (**UKGI00001691**). I was not involved in this work, and do not remember being further consulted or informed about it, or about the changes in POL's prosecutions policy. I do not think that I provided any information or advice to Ministers about these matters, nor did I attend meetings between Ministers and others (including Alan Bates) to discuss the Interim Report or POL's review of the criminal cases.

The Working Group and Mediation Scheme

51. Following the publication of the Interim Report, my work relating to Horizon concerned the Working Group and Mediation Scheme. Initially, this was as an HEO assisting Mike Whitehead, then as his replacement as Grade 7.
52. The Working Group and Mediation Scheme was intentionally established to be independent of Government. As such, I was not involved directly in operating the Working Group or Mediation Scheme, nor was anyone else from ShEx or the Department. As a consequence, I had no direct relationship with Second Sight or Sir Anthony Hooper, the Chair of the Working Group, or CEDR who oversaw the mediations.
53. My initial role, as HEO, in respect of the Working Group and Mediation Scheme was primarily to engage with POL to understand the processes and progress of the Working Group and Mediation Scheme, and to report to ShEx and Ministers on these matters. From January 2014, as the Grade 7 in the ShEx POL Team, I sought and obtained updates on how the Working Group and Mediation Scheme was operating and on difficulties that were being encountered. It was through POL that I received most of the information about the Working Group and Mediation Scheme. I would ask for updates on behalf of the Shareholder, for example on the progress made in establishing the Terms of Reference and the mechanisms by which the Working Group and Mediation Scheme would operate, and later on the number of cases that had been or were being considered.
54. As the Grade 7, I was also responsible for preparing briefings for senior civil servants and Ministers ahead of their meetings with figures from POL, and these

would sometimes touch upon matters relating to Horizon, the Working Group and the Mediation Scheme. The briefings would provide information and recommendations on the main points to be covered in the meetings, and the Private Office of the Minister or the Permanent Secretary would liaise with ShEx about the matters that should be included. Such briefings had to be concise. The Minister or Permanent Secretary would receive many briefings and submissions each day and so a premium was placed on making the briefings succinct. The request for a briefing would sometimes come with an indication that it should be a maximum of two or three pages. Even if that was not made explicit, the need to keep the briefings to that length would be understood by those drafting them. The Minister or Permanent Secretary could always request more information on particular topics, if required. If a meeting was to concern a single issue, then the briefing would be dedicated to that issue and hence would contain more detail than could be put into a briefing for a more wide-ranging meeting.

55. One briefing that I prepared was that of 4 April 2014 (**BEIS0000010**), which was sent to the Permanent Secretary at BIS, Martin Donnelly (now Sir Martin Donnelly). The briefing was prepared ahead of his meeting with the POL Chair, Alice Perkins, and was intended to cover “the company’s progress on key issues.” This was an annual meeting intended to provide a forum for the Permanent Secretary and POL Chair to discuss a wide range of topics. The briefing, that I drafted with input from, and on behalf of, the ShEx POL team included matters that we understood to be BIS’s priorities. In respect of Horizon-related issues, at that time – early April 2014 – the main focus was the Working Group and Mediation Scheme. As I wrote in the briefing, there were concerns emerging about the slow progress being made, but the more fundamental doubts

about the future of these processes, which I describe below, had not yet emerged. Nor, at that time, did I know about the advice POL had received on past prosecutions from Simon Clarke and Brian Altman KC. As it was, the briefing reflected the ShEx POL Team understanding of the position at the time: that Alice Perkins had commissioned Second Sight to review the integrity of Horizon, that the Interim Report had not found systemic problems with the Horizon software, but had identified matters of concern about training and support; that subsequent to the Interim Report, a Working Group and Mediation Scheme with an independent Chair had been established, and had received 147 submissions; but that progress was slow and POL was “seized of the need for a swift conclusion to this issue and is working to identify solutions.” One of my recommendations in the bullet points at the start of the briefing was that the Permanent Secretary should note the risks about the Horizon Working Group.

56. Inevitably, our knowledge and understanding of the relevant issues was coloured as a result of coming, principally, from POL. At points, representations were made by others, for example in Alan Bates’ letter to the Minister of 16 April 2014 (letter from Alan Bates to Jo Swinson MP dated 16 April 2014 (**UKGI00002264**); letter from Jenny Wilmott MP to Alan Bates dated 27 April 2014 (**POL00100605**)), which would give us an insight into their thinking. We did not think that ShEx or Government was well placed to seek to resolve the differences of opinion or perspective, and where appropriate representations were shared with Sir Anthony Hooper as the Chair of the Working Group. The Minister’s Private Office was engaged on the proposed handling approach (email chain from Sophie Bialaszewski to Jane Hill, Nina Arnott and Mark Davies dated 28 April 2014 (**POL00116507**)).

57. ShEx's principal objective was for the Working Group and Mediation Scheme to work, in the sense of providing a timely, effective, visible, and just way of resolving the disputes between the 147 participating subpostmasters and POL. The view taken at the time, I believe both within ShEx and outside it, was that this was most likely to be achieved by the Working Group and Mediation Scheme remaining independent of Government. Certainly, Sir Anthony Hooper strongly guarded his independence. With the benefit of hindsight, and having seen how the process moved so slowly, with minimal progress before falling apart amid much frustration, I think the Minister could, and possibly should, have requested that the Working Group and Mediation Scheme report into Government as an interested party. This would have helped ShEx and the Shareholder more clearly and directly understand the perspectives of the different stakeholders. It might also have allowed for more thought to be given within Government to alternatives to the Working Group and Mediation Scheme when it became apparent that it was losing the support of MPs and subpostmasters.
58. I am asked to describe POL's position in relation to sharing information relevant to the Mediation Scheme or Second Sight's reports that were submitted to the Working Group. As neither I nor ShEx were participants in the Working Group or the Mediation Scheme, I did not have first-hand knowledge of this. With hindsight, it is obvious there was an optimism bias affecting all parties at the start of the Working Group and Mediation Scheme about how quickly it could be conducted. When those over-optimistic expectations were not met, I think we in ShEx initially thought that the issue lay primarily with the limited resources that Second Sight had, together with what we were told were concerns from Sir Anthony Hooper

about the quality of the reports that they were providing. Later, we learned that other participants thought that POL were being unduly slow and reticent in providing information. I was not in a position to judge where the full measure of blame lay, but I did become increasingly aware that there were very significant problems that raised questions about whether the process could continue in its existing form.

59. By the summer of 2014, the POL Executive had prepared a paper for the POL Board on alternative approaches to Project Sparrow (the name given to matters relating to Horizon) (**UKGI00002376**). This was provided to me on 10 June 2014 by Richard Callard, who was by then the Deputy Director leading the Shareholder Team and the Shareholder NED on the POL Board (**UKGI00002375**). As can be seen from the terms of the covering email, his purpose in providing them to me appears to have been to allow me to draft a submission to the Minister providing the background to the Working Group and Mediation Scheme, an account of the process's problems, the options that the POL Board was considering, and our views on the benefits and risks of each of those options. Richard and I had been aware for a few months that POL was thinking about different approaches, but I believe this was the first time that we saw how that thinking had become crystallised into specific options for future action.
60. In his email to me, Richard had suggested that the third option under consideration – ending Second Sight's engagement, dissolving the Working Group and "moving the governance and management of the Scheme in-house" – was emerging as the preferred option (**UKGI00002375**). I replied setting out my thoughts, which included my considerable concerns that Option 3 would give rise

to allegations that the process had become a whitewash, and would be unacceptable to the Minister who would want the Working Group retained (UKGI00002385). Later that day, Richard sent a further email telling me that Option 3 was “off the table” as the risk of judicial review was too high (UKGI00002386). Option 2 was emerging as the preferred approach, with the next step being “to understand how far the boundaries can be pushed without triggering a [judicial review]”. Option 2 was described in the Board paper as: “Continuing with the Scheme but seeking to refine its work within the existing Terms of Reference, with POL taking a firmer more proactive line to defend its position and ensure a greater degree of transparency around our approach to the Scheme, with mediation being based on our understanding of the legal position and desire to control programme costs and timescales” (POL Board Initial Complaints Review and Mediation Scheme: Sub Committee Recommendation (UKGI00002376)). Richard would also have given me a verbal update on the relevant discussions, though I cannot now recall what he said.

61. Richard’s updates reflected the position that had been reached by the POL Board at its meeting on 10 June (POL00021526). Looking back, and knowing more about judicial review now than I knew then, it seems to me that the supposed legal risk with Option 3 might have been a reason given to allow the POL Executive to step back from a proposal that, on reflection, was thought to be the wrong course to adopt. The fact that the Board was not supporting Option 3, and had only identified Option 2 as a preferred option to be explored further, meant that the submission that Richard had initially thought I would need to prepare was no longer necessary. Ministers are extremely busy and access to the Red Box containing the papers that they would review was closely guarded. The Board’s

decision meant that the submission on Option 3 was redundant, while a submission on Option 2 would be premature. Neither would have made the cut to be included in the Red Box.

62. Discussions continued on how to improve and speed up the Working Group and Mediation Scheme. On 17 June 2014 I emailed Mark Davies at POL following a meeting I had with him and Martin Edwards the previous week at which we had spoken about “the ongoing Sparrow discussions” (UKGI00004121). I had raised a further option that I wanted to explore, which was to bring in other accountancy firms to assist Second Sight with the workload. My email was intended to follow up on this suggestion in writing, noting that Mark Davies had previously raised some concerns around it, including the reluctance of other firms to work with Second Sight, difficulties with managing additional parties in the process, and issues about consistency. Mark Davies replied on the following day, writing that: “We have looked at options like this to be honest and they aren’t practical. Belinda [Crowe] copied, can give you a full run down.” I cannot now recall what further details I received from Ms Crowe, but I have no reason to doubt that she would have provided them to me.
63. My discussions with members of the POL Executive on this point, and my email following up on them, reflected the fact that I, and the wider ShEx POL Team, wanted to encourage POL to think about ways of improving and speeding up the Working Group and Mediation Scheme. We were conscious of the process’s problems and the risk of losing support from all of the stakeholders. However, as I have discussed earlier, the Working Group and Mediation Scheme had been set up to be independent of Government, so the leverage and influence that ShEx

had was limited. Had we tried to push further, we believed we would risk upsetting what was by then a fragile alliance between the stakeholders involved, at a time when there was no readily identifiable alternative that could replace it.

64. I provided an update to the Minister's Private Office on the progress of the Working Group and Mediation Scheme on 8 July 2014. This noted that of the 147 applications to the Working Group that have been received, 13 had been resolved without the need for mediation. Only two cases had been approved for mediation. I commented that these cases:

"can be seen as evidence that the Working Group is working, albeit at a slower pace than envisaged. However, despite the slow pace, it is important to note that [the Working Group] is serving its purpose of providing an agreed framework for considering highly contentious cases. At the current rate of progress, the Working Group will have completed its duties by November 2015. POL is actively seeking to expedite progress within the agreed terms of reference."

65. Looking back on this update, I think it again reflects the fact that I considered the Working Group and Mediation Scheme to be the best of a limited series of options. I was realistic about the challenges involved, but I think I was still hopeful that the process could succeed, but only if it could become more efficient while retaining the support of the stakeholders. My reference to the end-date of November 2015 at the then current rate of progress was intended to alert the Minister to the fact that this would mean that the Working Group and Mediation Scheme was expected to still be ongoing at the time of the next General Election (which was to be held in May 2015 under the Fixed-term Parliaments Act 2011).

66. The Working Group and Mediation Scheme continued to operate, and discontent continued to grow, during the remainder of my time at ShEx. Immediately before my departure, on 8 December 2014 a group of MPs led by James Arbuthnot MP issued a press statement in which they expressed a loss of faith in the process (**UKGI00002574**). I provided this to the Minister's Private Office on the same day, adding that we were due to meet the Minister the following day and could discuss the matter further then (**UKGI00002572**). I wrote that it was important to reiterate the independence of the Working Group, the Chair, and the Mediation Scheme. I also noted that while the letter was disappointing, it did not call for Government involvement at that stage.
67. I was informed by POL on the same day that James Arbuthnot MP had written to Paula Vennells criticising in strong terms POL's approach to the Working Group and Mediation Scheme and POL's interpretation of their Terms of Reference (**UKGI00002579**). This was a reply to a letter Ms Vennells had sent him on 28 November 2014, rejecting a proposal from MPs about reform of the process to allow for a presumption that each case would be mediated (**UKGI00002573**). Neither ShEx nor the Shareholder were party to that correspondence, though we were provided with the letters.
68. Among the claims made by James Arbuthnot MP and the MPs was an allegation that POL had opposed mediation in 90% of the cases brought to the Working Party. This was later picked up by the media and, understandably, it caused concern to the Minister and her Private Office. I did not think that this was an accurate representation of POL's position. As I explained in an email to the ShEx POL Team on 10 December, 10% of cases had proceeded directly to mediation,

while the remainder were to be discussed in the Working Group. The Working Group had been established to form a view on which cases should be mediated, so its involvement was part of the agreed process and not a “blocking” tactic by POL (**UKGI00002613**).

69. Members of the ShEx POL Team met the Minister on 9 December 2014 for a regular update meeting, which was principally concerned with Network Transformation. The Minister had requested such meetings as Network Transformation was a priority for her, not least as it was seen as the way of reconciling the Liberal Democrats’ policy objective to preserve the size of the post office network with the level of subsidy that had been agreed by the Treasury as part of the negotiations within the Coalition Government. At that time, Network Transformation was falling behind schedule, hence the Minister’s requirement for updating meetings on a regular (sometimes weekly) basis. Those meetings were also opportunities to bring her up to date on other aspects of POL’s activities, hence the plan to use the meeting on 9 December 2014 to appraise her of the MPs’ press release and James Arbuthnot MP’s position. I would have attended this meeting, but I have no recollection now of what was said at it. These ‘update’ meetings were unlikely to be formally minuted, but I have seen an email exchange between Richard and the Minister’s Private Office that touches upon some of the points raised. The email chain suggests that the Minister wanted to follow up on matters relating to Network Transformation, while separately Richard had clarified that POL had refused to mediate only in two cases (and not 90% as claimed) (**UKGI00002610**).

70. In the days that followed I assisted Richard Callard and the ShEx POL Team in preparing briefing documents to inform the Minister and others on developments about the Working Group and Mediation Scheme. This included, on 9 December 2014, providing a proposed answer should the issue arise at Deputy Prime Minister Questions (email chain from Peter Batten to Ministerial Advice team dated 9 December 2014 (**UKGI00002600**)). I understand that there is no reference in Hansard to any exchange on this point.
71. The following day, 10 December 2014, we learned that the Minister would be required to speak in a Westminster Hall adjournment debate scheduled for 17 December 2014 (**UKGI00002612**). The ShEx POL Team were asked to provide a draft speech and briefing documents. I worked with the team in pulling together the material for the initial drafts. However, by this stage I was in my final couple of days working at ShEx and hence I did not see the final product. I can see that I sent an email at 13:37 on Friday 12 December, attaching a number of documents and links to folders on the shared file system concerning the Sparrow workstream that would be helpful to my colleagues when I left (**UKGI00002632**). I began work at the DFT the following Monday and had no further involvement in matters relating to Horizon.

Other matters

72. I am asked to describe my involvement with meetings concerning the Working Group and Mediation Scheme that involved Ministers. As I have set out above, the ShEx POL Team would have regular meetings with the Minister, particularly to discuss Network Transformation. We would sometimes take the opportunity presented by those meetings to raise other POL issues, including the Working

Group and Mediation Scheme. I would also be involved in preparing briefings and submissions to the Minister and the Secretary of State ahead of meetings that they had with senior figures from POL, including the CEO and the Chair. Those briefings might touch upon the Working Group and Mediation Scheme. I was not usually invited to the meetings and I cannot recall being present at any discussion of the Working Group and Mediation Scheme between a Minister and representatives of POL.

73. I do not recall being shown Deloitte's Project Zebra report, or being briefed on its recommendations, or POL's representation of those recommendations.
74. During my time working at ShEx we were repeatedly advised by POL that there was no remote access to the 'live' Horizon system or ability to make unrecorded changes to subpostmasters' accounts. Nor did we expect there would be anything of the sort, as the inclusion of such features in the design of a system such as Horizon would obviously completely and totally undermine the integrity of the system and the trust of its users.

Relationship with senior management at POL

75. The Inquiry has asked me to describe my working relationship with the senior management of POL. I dealt most frequently with Mike Granville (Head of Regulatory Strategy), Martin Humphreys (Government Affairs team), and Belinda Crowe (Programme Director for Project Sparrow), and would describe my working relationship with them all as good. My understanding was the four of us were, relatively speaking, fairly junior and this, together with our regular contact,

meant that I had a closer relationship with them than with more senior members of the POL Executive.

76. I had fairly regular contact with Mark Davies (Director of Communications) and Martin Edwards (Chief of Staff), and I would say I had a normal working relationship with them. Both had experience of working at a senior level in Government and this gave them a degree of confidence in dealing with ShEx civil servants. I do not recall any particular problems with our working relationship. In October 2014, Martin Edwards was succeeded by Tom Wechsler, another former experienced civil servant, so my relationship with him lasted only a couple of months. Again, I cannot recall any difficulties.

77. I had no direct working relationship with Paula Vennells. I became aware during 2014 that concerns have been raised about her capabilities as CEO. My understanding was that these concerns had come from Board members and that they were being considered by Richard Callard and other more senior figures at ShEx. I was not involved in assessing Ms Vennells' performance or working on contingency planning. As I had no direct working relationship with her, I do not think I can comment further on her suitability as CEO of POL. That was a matter for the Board, the POL Chair, those within ShEx who had more direct experience of her work, and Ministers.

ShEx Team Planners and Risk Registers

78. While working as the HEO, one of my roles was to collate the ShEx Team Planner, such as the one that I circulated on 29 July 2013 (cover email: **(UKGI00001878)**; ShEx Team Planner: **(UKGI00001879)**). The substance of each

entry was provided by the person listed as the “owner” in the first column. They would send their contributions to me and I would then pull the document together. I provided the entries for each of the topics for which I was responsible as sole or co-owner. The ShEx risk registers were compiled in a similar way.

79. My recollection is that those risk registers were intended to identify and record the risk to ShEx and the Shareholder of a particular issue, rather than the risk to the asset. They were intended to capture matters over which ShEx had a degree of control, and hence could mitigate, rather than providing a comprehensive list of everything that could go wrong within the assets. I remember Richard Callard emphasising to the ShEx POL Team the need to think about new and emerging risks, and to avoid simply going through the motions by updating the matters that were already to be found on the register.
80. The entries were, intentionally, brief. The ShEx risk register had to cover all of the assets in the ShEx portfolio, meaning that lengthy entries would have made the document unmanageably large and would undermine the purpose for which it was produced. A risk for “Project Sparrow” is included as one of 20 risks for POL in the Risk Register dated 13 February 2014 (**UKGI00002903**). I was named as the person responsible within ShEx for this risk, and as such I would have produced the summary. It was intended to cover all aspects of matters relating to Horizon, though my focus at that time was on the ongoing Working Group and Mediation Scheme, as that was the then ongoing process intended to address the dispute. The numerous risks arising from Horizon could have been disaggregated in much greater detail, but that was true of any entry on the register. We drew on what we understood to be best practice at the time to create

the registers, though I am sure such practice has evolved in the decade since this document was produced.

81. The risk register was not the sole mechanism by which concerns about Horizon were discussed and disseminated within ShEx. The Quarterly Reviews allowed for the ShEx POL Team to discuss its work and approach with other members of ShEx, with the intention of those other members providing fresh perspective and constructive challenge informed by lessons learned from their work performing the shareholder function on other ShEx assets. There were regular meetings within the ShEx Team where risks were identified and discussed, and ShEx encouraged open discussions between colleagues, rather than a rigid hierarchy. Where necessary, concerns could be escalated to more senior figures within ShEx, or the Minister, either in meetings, or through submissions, or both.

82. I am asked why bugs, errors and defects that could affect the integrity of branch account data was not identified on the risk register. As I have said, the entry was intended to be brief and to reflect the risk to ShEx and the Government. It is difficult to think back now to what would have been in my mind at the time, but the position as I then understood it to be was that Second Sight had not identified any system-wide flaws in the Horizon software, and the two bugs that had been identified by POL had been rectified. There were, however, wider concerns about how subpostmasters who had encountered deficits had been treated, and the Working Party and Mediation Scheme had been established to try to address those in 147 individual cases. I suspect that this explains why the focus of the risk register was on that process, and the risks associated with it, rather than underlying flaws in Horizon's software.

83. I am asked why the risk register did not include the risk that POL had secured unsafe convictions. I think this was down to a combination of factors, as well as the brevity and purpose of the ShEx risk register that I have described above. At that time, POL was continuing to express its absolute faith in its systems in the strongest of terms and it had not provided ShEx with the documents produced by Simon Clarke and Brian Altman KC. I, and others in ShEx, had faith in the integrity of the independent criminal justice system that had led to the convictions. There may also have been a wariness about the separation of powers, as criminal cases were instinctively seen as a matter for the judiciary, free from interference by the executive.

Conclusions and Reflections

The scale of the issue

84. It is clear from the contemporaneous documents that mine, and ShEx's awareness of the scale of the issue was slow to form, despite the warnings of the JFSA. In 2012, we had some understanding of around a dozen instances where subpostmasters had raised concerns, this grew to 47 via the Interim Report in June 2013. By the time entries to the Working Group and Mediation Scheme closed there were 147 subpostmasters affected. Even this was much lower than the figure of wronged subpostmasters that later emerged.

Lack of candour from Post Office

85. The flow of information from POL was not as candid as we were entitled to expect, and information requested of POL was sometimes not provided. In

hindsight, a pattern emerges of a lack of willingness from POL to share candidly full and complete information about the number and nature of prosecutions. This includes the failure by POL to share the advice from both Simon Clarke and Brian Altman KC that raised extremely serious questions about the safety of convictions.

Engagement with former subpostmasters

86. I recall engaging subpostmasters directly during my time at ShEx, including attending NFSP conferences and branch meetings, and on various site visits. While the Horizon issue was not raised in those engagements, it is, with hindsight, perhaps not surprising given the lack of support affected subpostmasters received from the NFSP, and the lack of concern the NFSP showed regarding the now apparent Horizon flaws. Indeed, I remain firmly of the view that had the NFSP spoken in support of concerns about the robustness of Horizon, the issue would have gained prominence within government sooner.

87. I was never invited to join a meeting with the JFSA when they met the Minister, and do not believe ShEx officials ever met them directly outside of Ministerial meetings during my time in ShEx. The JFSA were an integral party in the Horizon issue, and would have provided a relevant perspective that ShEx was not hearing from more established parties such as POL and the NFSP. I regret that we did not seek to establish a working level relationship with the JFSA.

Separation of powers

88. During my time at ShEx, the fact that criminal convictions were passed by an independent judicial system provided me with an inherent level of assurance on

the safety of those convictions. That system, independent of government and POL, has its own checks and balances to ensure fairness, and convictions were only obtained if the Court was satisfied of a person's guilt beyond reasonable doubt. Added to this, POL promoted a narrative that they had complete faith in Horizon and did not accept that there had been any wrongful convictions. It is now apparent that POL received advice relating to the safety of convictions that it took a decision not to share with ShEx. Having reviewed Simon Clarke's and Brian Altman KC's advice as part of my preparation for this statement, I cannot understand how POL reconciled receiving that advice and persisting with the consistent, senior, and unequivocal statements regarding the robustness of Horizon.

Arm's length

89. Witnesses before me have spoken about the development of ALBs and the thinking that lies behind that model. This arrangement is, in my view, the best approach available to managing the relationship between government and publicly-owned assets of a commercial nature. It is not, however, a static model and there will always be questions about how long the arm should be, and when its length should be adjusted. The Horizon scandal happened at a time when the arm was long, meaning that the Government's depth of understanding of the operational nature and culture of delivery was commensurately weakened. This was particularly so in respect of POL's role in prosecuting subpostmasters, an area on which I can see that we at ShEx had incomplete information when it plainly generated very significant risks.

90. In such a world, ShEx was more reliant on the flow of information from POL, and in a less strong position to provide an evidenced challenge to the information that was provided. In my view, we were too slow in shortening the arm in response to the emerging concerns being expressed about Horizon.

ShEx engagement with the Working Group and Mediation Scheme

91. Documents from the time indicate concerns felt within ShEx about the capacity of the Working Group and Mediation Scheme to match the scale of the need as the number of applicants grew. While it is apparent in hindsight that the Working Group and Mediation Scheme should have quickly evolved, we allowed ourselves to become trapped in the belief that it was inappropriate for government to play any role in the operation of the Working Group and Mediation Scheme. While it seems that the Chair of the Working Group would indeed have not welcomed government involvement, with hindsight it would, perhaps, have been more appropriate for ShEx to have sought a more formally engaged role with respect to receiving reports from the Working Group.

Standard lines

92. The use of so-called “standard lines” in responding to correspondence, press queries, and Parliamentary questions is intended to prevent inadvertent inconsistency when communicating outside of government. However, these benefits come with the risk that consistency will drift into orthodoxy. When combined with strict drafting deadlines, a perverse incentive can arise that affects parties at all levels and acts against curiosity and seeking greater detail.

Statement of Truth

I believe the content of this statement to be true.

Signature **GRO**

Date10 October 2024.....

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3.	UKGI00001408	Letter from Stephen Hepburn MP to Edward Davey MP re. Carol Riddell – East Boldon Post Office – issues with Horizon	UKGI012222-001
4.	UKGI00001407	Email from Martin Humphreys to Mike Whitehead cc. Peter Batten, James Baugh and others re. Stephen Hepburn MP	UKGI012221-001
5.	UKGI00013948	Letter from Norman Lamb MP to Stephen Hepburn MP re. concern raised by Carol Riddell (East Boldon Post Office) about the Horizon computer system	UKGI024741-001
6.	UKGI00001403	Email chain from Lamb MPST to Peter Batten cc. Will Gibson and Katie Wake re. ex Sub-postmasters meeting	UKGI012217-001
7.	UKGI00001654	Email from Will Gibson to Mike Whitehead and others re. Post Office catch up	UKGI012468-001
8.	UKGI00001433	Email from Martin Humphreys to Peter Batten cc. Mike Whitehead and others re. Albert Owen – JFSA	UKGI012247-001
9.	UKGI00001436	Email chain from Martin Humphreys to Peter Batten cc. Mike Whitehead and others re. James Withers (ex SPM – Horizon review)	UKGI012250-001

10.	UKGI00016102	Email from Mike Whitehead to Jo Swinson MP's Office re. POL Horizon system	UKGI026895-001
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12.	UKGI00001654	Email from Will Gibson to Mike Whitehead and others re. Post Office catch up	UKGI012468-001
13.	POL00296917	Email from Sarah Paddison to Alwen Lyons, Martin Edwards, Will Gibson and others re. PO/BIS meeting on Second Sight investigation	POL-BSFF-0134967
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38.	UKGI00002573	Letter from Paula Vennells to the Rt. Hon. James Arbuthnot re. Complaint and Mediation Scheme	UKGI013387-001
39.	UKGI00002613	Email from Peter Batten to Richard Callard, Tim McInnes and James Baugh re. catch up	UKGI013427-001
40.	UKGI00002610	Email from Richard Callard to MPST Swinson, Tim McInnes, James Baugh and Peter Batten re. catch up – Horizon Mediation Scheme	UKGI013424-001
41.	UKGI00002600	Email from Peter Batten to Ministerial Advice Team cc. Swinson MPST, SPAD Cable MPST and others re. DPMQs	UKGI013414-001

		- Post Office Mediation Scheme	
42.	UKGI00002612	Email from MPST Swinson (Alysa Remtulla) to Peter Batten, James Baugh, Richard Callard and others re. Briefing Commission for a Westminster Hall Debate on Post Office Mediation Scheme	UKGI013426-001
43.	UKGI00002632	Email from Peter Batten to Richard Callard, Tim McInnes and James Baugh re. handover JFSA	UKGI013446-001
44.	UKGI00002903	Draft - the Shareholder Executive Risk Register for Post Office Limited (2014) by James Baugh	UKGI013717-001