



Branch Support Programme

Steering Group Meeting – Friday 6th June 2014



Agenda

Programme Overview

Programme Governance

- Link into Transformation Committee
- Role of Steering Group and working group – sign off Terms of Reference

Overall Programme Status

- High level milestone plan

Work Stream Status

Risks and Issues



Branch Support Programme - Overview

Purpose

The purpose of the Branch Support Programme (BSP) is to improve the effectiveness and efficiency of the support we provide to our subpostmasters and operators in the running of their Post Offices from an operational and engagement perspective.

Business Case

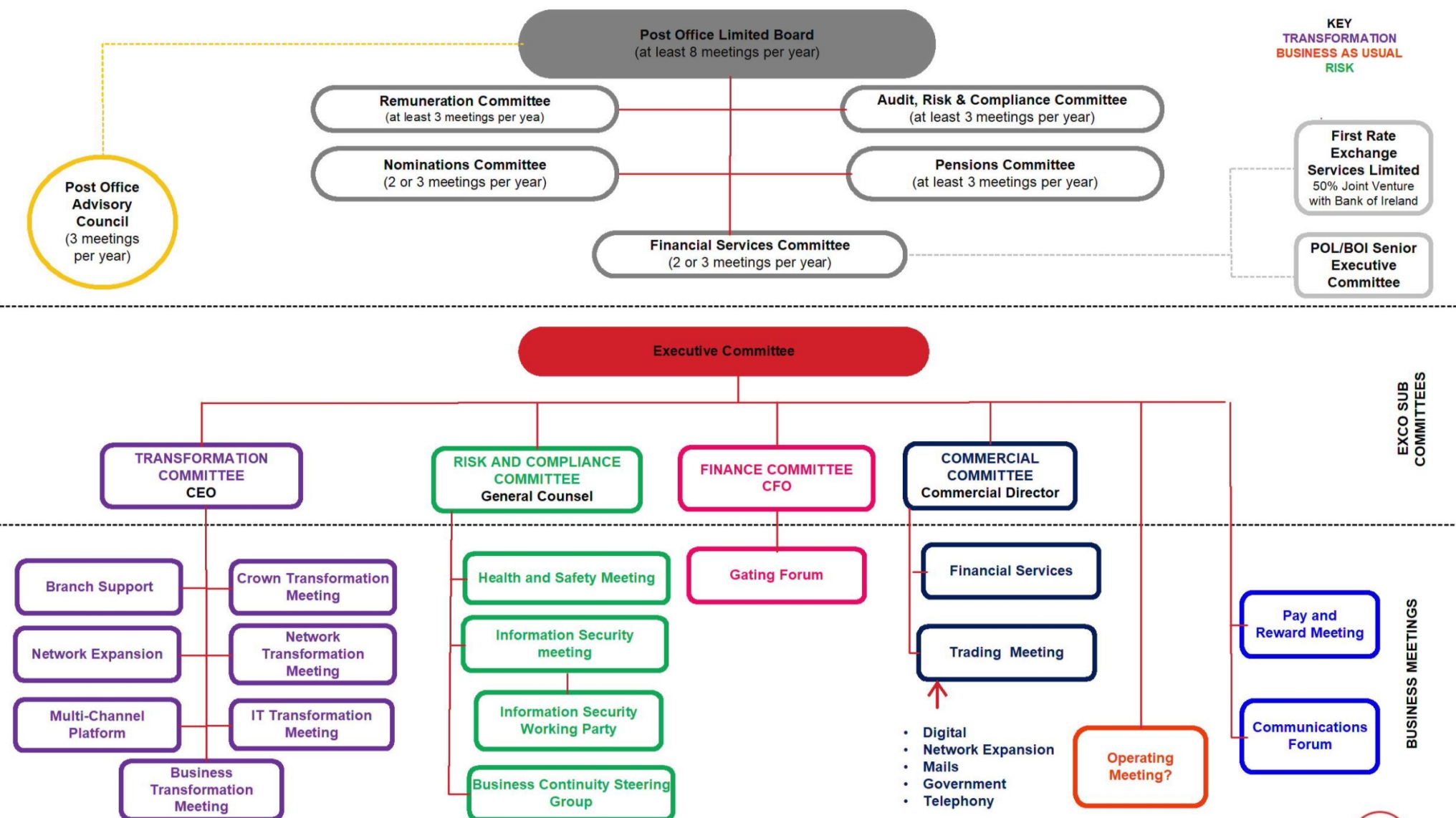
- Spend £8.678m (£4.678m exceptional £4m VR)
- Payback £3.2 years

KPIs

- Reduce operating costs by £3m pa
- Spmr suspensions less than 60 pa
- Agent debt reduced by £1m pa
- NBSC call volumes reduced by 25%
- Satisfaction with on-line training modules 95%



Post Office Limited Governance Structure



Branch Support Transformation Programme

Programme Summary – To improve the support we provide to subpostmasters and operators in the running of their Post Offices from the moment they join to the point where they leave the business.

Programme Scale

Cost C. £4.25m (+ VR c £4m)
Timescales - complete by March 2015

Time	A
Cost	G
Benefit	A
Quality	G

Performance (Benefits)

Programme KPI	Period 2		Full Programme	
	Target (RAG)	Actual	Target (RAG)	Forecast
Operating cost reduction			£3m	15/16 full year
Number of spmr suspensions	5	5	60 p.a.	
Reduction in agent net debt	90k	23k	£1m	15/16 full year
Satisfaction with training	1	TBC	95%	Full year
Reduction in calls to NBSC	25	TBC	25%	Full year
Reduction in >£10k shortages	7	8	50%	Full year

Status Update (1) Business Case and funding agreed by POLIC (2) IT requirements for CRM system agreed with stakeholders and joint approach agreed with NT (3) On-line regulatory compliance training prototype being built with supplier and on track for testing with users w/c 16th June (4) Bureau 2nd receipt transaction scripted and passed to Fujitsu for build and testing (5) Top branch contact into NBSC process launched with Branch Support Team

Customers, Colleagues and Third Party Engagement

Customers Whilst there is no direct impact on customers, the activity within the work streams should have a positive impact on the customer experience. The reduction in subpostmaster suspensions has meant a continuity of service in areas where the branch may previously have been closed due to sourcing and transferring to a temporary subpostmaster.

Colleagues A number of agency branches, Crown branches and Blakemore (multiple partner) have signed up to participate in on-line regulatory compliance prototype testing. Colleagues continue to be engaged in individual work stream activity. Large exercise undertaken with wide range of stakeholders to understand IT requirements for branch view tool.

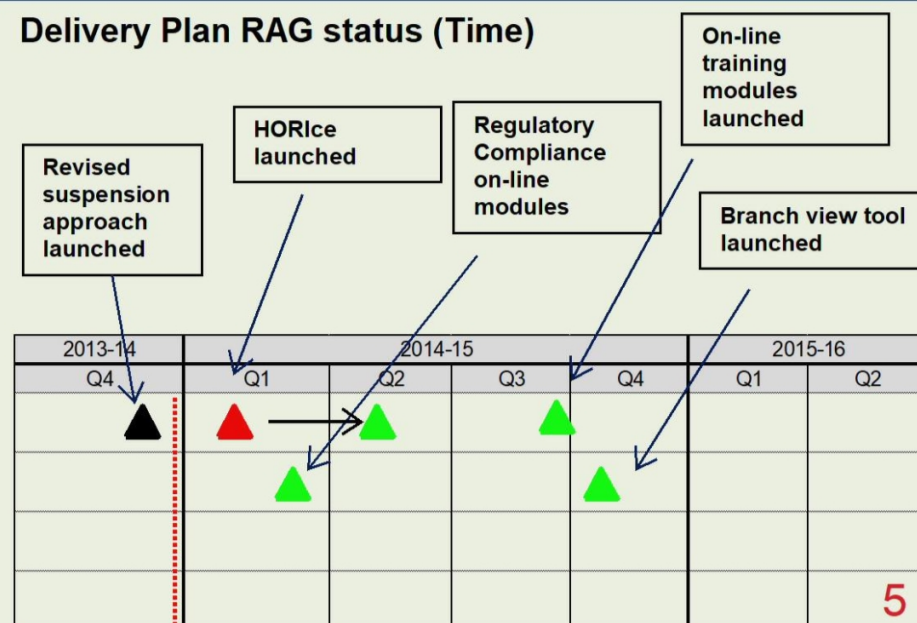
Third Parties Positive feedback from NFSP conference regarding work the Programme is doing to make improvements. Workshop with NFSP is planned for end June/early July to understand Programme workstreams in more detail and identify areas where the NFSP can add specific value. Attending NFSP regional meetings in June/ July.

Risks

Risk Summary	RAG Gross	Impact (Gross)	Likelihood (Gross)	Current Risk Mitigation
The majority of operating cost reduction is delivered through reduction in resource. Risk to savings if surplus pool is created.	16	4	4	Manage the resource plan with HR to ensure we optimise redeployment opportunities and exit via VR however CR may need to be considered
Issues with IT resource to deliver changes and support projects will impact on delivery times of specific project activity	15	3	5	Working with IT&C to understand specific reasons for delays in delivering activity. Appears to be a business wide issue with capacity and planning of change with Fujitsu

Dependencies	Status	Actions
Dependent on IT and Fujitsu to deliver Programme changes and projects	Currently experiencing delays in receiving CRs back from Fujitsu and being allocated POL resource for writing and testing scripts for transactional changes.	Escalated to Dave H and also raised as issue at Programme Portfolio meeting
Dependent on Business Transformation identifying what is in scope and out of scope to prevent double counting of benefits	Branch Support part of BT Steering Group. Programme representation also nominated to work with new partner.	Awaiting invites for meetings

Delivery Plan RAG status (Time)



Slide 5 Notes

Performance

- 12 suspensions in Period 2, however, only 5 were due to audit shortages which is the metric impacted by the change in policy. 4 other cases were due to insolvency, bankruptcy etc, 1 was due to abandonment of service and the other was due to a Royal Mail investigation. We will be doing a retrospective exercise to review last year's numbers to ensure they are accurate.
- In terms of debt, the Period 2 figure is a £23k positive change in debt, resulting in a cumulative figure of £113k. This was impacted by a £181k audit shortage which has not been recovered. The £1m reduction equates to an approximate 15% reduction in overall debt.
- There is an issue with the reports provided by NBSC. However, we would not expect to see a downturn in numbers until 2015.
- The number of audit shortages over £10k is showing amber at the moment due to a delay in the implementation of HORIce. It is amber rather than red as we expect to recover it before the end of the financial year.

Delivery Plan

The delivery date for HORIce has not been achieved and has been re-planned for middle of Q2. The delay has been created by the time it has taken ATOS and Fujitsu to formally respond to a Change Request to something which was positioned as a tool that was already built.



Roles and responsibilities of groups

Steering Group meeting

- Understand progress against the milestone plan, costs, benefits and quality of the Programme and report this to Transformation Committee
- Ratify milestone changes if necessary
- Understand risks and issues of delivery of the Programme and ensure actions proposed by work streams will be adequate to mitigate those risks
- Make decisions on deliverables as required by the Work Stream meeting
- Challenge each other and respective teams who are responsible for delivering certain areas of the Programme
- Ensure Programme is administered in line with Post Office governance standards and controls are in place

Attendees: Kevin Gilliland, Paul Brown, Michael Larkin, Ian Kennedy, Brian Deveney, Dave Hulbert, Harry Clarke, , Sharon Bull, Nick Beal, Angela Van-den Bogerd, Gayle Peacock

Working Group meeting

- Formal up-date on progress with each work stream
- Manage interdependencies between each work stream
- Identify risks and issues associated with delivery of milestones and benefits, proposing mitigating actions
- Agree proposals and make decisions regarding deliverables to present to the Steering Group
- Agree on which issues need to be escalated to Steering Group

Attendees: Pam Heap, Drew McBride, Craig Tuthill/ Lin Norbury, Sarah Malone, Julie Thomas, Ann Miller, Claire Langley, Amanda Stevens, Kendra Dickinson, Rod Ismay, Doug Brown, Andy Hayward, Michael Brown, Andy Holt, Karl Oliver, Andy Garner, Richard Weaver/Jonathan Knox, Georgina Blair, Angela Van-den Bogerd, Gayle Peacock, Anne Allaker, Peter Prior-Mills, Dave Ireland



Milestone Plan

Activity/Work stream	Owner	Benefits/Metric associated	Q1	Q2	Q3	Q4
Pre-appointment	Craig Tuthill/Lin Norbury	£30k per annum resource saving			Launch revised application process	
Training	Sarah Malone/Julie Thomas	£450k saving 95% satisfaction			Streamline supporting interview process	
Communications	Richard Weaver			Launch branch communication research	Review findings of research to identify solutions Agent engagement survey launched	
Operational Support	Amanda Stevens	£635k NBSC £640k FSC £530k Network Services	Dates for revising call categorisation into NBSC, call review, review of FSC teams and Network Services to be identified and agreed			Deploy CRM across Ops Support areas
Physical Support	Pam Heap	£250k audit admin £100k audit review		Centralisation of audit admin		Revised audit process launched
IT	Peter Prior-Mills			Branch profile requirements identified Branch profile options scoped, agreed and build starts Bureau duplicate receipt launched	Deploy CRM Revised cheque rem process launched	
Leavers	Craig Tuthill/Lin Norbury	£1m net debt 50% spmr suspensions		Revised contractual breach policy launched		
On-line Regulatory Compliance	Gayle Peacock	£51k joiners (14/15) £135k additionally after full migration		Prototype ready for testing New joiners process launched	Being migration of remaining network	
HORIce	Gayle Peacock	50% reduction in audit shortages > £10k		Launch of HORIce pilot		



Workstream status

Work stream	Status	Next Steps	Next milestone date
Pre-appointment	- High level plan and benefits identified "End-state" vision agreed by group - Potential options for improved web-application process scoped - Synergies with NT electronic business plan identified	- Agree lower level plan detail with specific business owners - Understand electronic business plan in more detail - Progress improved on-line application process	- Business plan review on 13th June - Work stream meeting planning session on 17th June
Training	"End-state" vision agreed by group - Activities identified to deliver business benefit with high level milestones identified	Agree lower level plan to progress to end state	Agreement next week regarding owner
Communications	- High level plan and milestones agreed with work stream group - Analysis undertaken on costs associated with "corrective" communications	Discussion with Steering Group about how the work stream fits with overall Agent Engagement hub work	Commission research by end July 2014
Operational Support	"End-state" vision agreed with group - High level list of required activities identified - Analysis done on NBSC call types to initiate areas for root-cause analysis. Top 3 areas are "mails", "stock" and "telephone numbers" driving in 25% of calls - Input into branch profile tool - Improvement plans created with NBSC and FSC to tackle "quick wins" in bau	Agree lower level plan to progress to end state and to deliver business case benefits	18th June workshop to agree lower level plan



Workstream status

Work stream	Status	Next Steps	Next milestone date
Physical support	- Options for supporting 2020 strategy identified - Revised way of logging audit results currently being tested after FSA training - Agreement reached with Risk and Compliance on suggested alternatives for compliance audits	- Arrange meeting with key stakeholders to review the compliance audit process - Track benefits of revising audit logging process and identify how this translates into longer term FSA resource plan	June/July deployment of revised audit logging
IT	- Branch profile requirements identified with business stakeholders - Suggested approach discussed with NT and IT architecture - Bureau 2nd receipt transaction scripted and passed to Fujitsu for build - Revised cheque rem process identified	- Agree plan for delivering branch profile tool - Get ATOS to complete formal assessment of options	21st July for model office testing for bureau receipt 10th June for CRM meeting
Leavers	- Revised suspension process already implemented with supporting policy change - Recognition process to be scoped	- Policy PIR to be undertaken - Review of plan with work stream group	Work stream meeting scheduled for 1st July
On-line Regulatory Compliance Training	- Supplier currently progressing build of prototype - Users identified for involved in testing prototype - Saba providing ORBIT prototype for testing	- Test prototypes - Agree short, medium and long term plan	- Saba BUPA demo on 9th June - EMC prototype demo on 11th June - Testing for users 16th June
HORIce	CR and purchase order raised with Fujitsu	Impact assessment to be returned by Fujitsu	10th June is re-planned date



Risks and Issues

Risk	Likelihood	Impact	Score	Mitigating action	Owner	Date
Fujitsu and internal POL IT teams do not have resource to deliver Programme changes which is significantly impacting on delivery date	5	3	15	Plan to be produced by IT mapping areas for change, priorities and resource required. Plan for escalations within Fujitsu need to be made available to stakeholders	Dave H	
Majority of savings costs are through people/resource savings, increasing risk of surplus pool	4	4	16	Plan to be created across Programme where resource efficiencies are identified. Vacancies to be sourced on temporary basis or not filled where there is a reduction	Drew Craig Amanda Rod	
Other pressures on time creating inability to mobilise work streams	3	4	12	Steering group to review area representation on Programme and ensure priorities are clearly communicated	Programme Steering Group	13 th June 2014
Subpostmasters and operators don't embrace new on-line training methods	3	4	12	Involvement throughout in on-line build and testing of solutions. Planned phases of delivery to ensure buy-in.	Angela/Gayle	
Reduction in spmr suspensions increases net debt figure	3	4	12	Number of suspensions, reasons and impact on overall debt being monitored. HORIce will enable earlier intervention.	Craig/Rod	
HORIce may not be tool to reduce debt	3	3	9	Requirements fully scoped with experts from the area based on knowledge of fraud/non-conformance activity	Gayle	
Call reduction into NBSC may not be realised	3	4	12	Review BAU operational plan with NBSC and identify metric for identifying "exceptional activity" driving calls into NBSC	Amanda Gayle	30 th June 2014
Potential double counting of benefits for NBSC cost savings	2	4	8	As above.	Amanda Gayle	30 th June 2014