



Sparrow

Weekly Steering Group

18th September 2013



Agenda

1. Programme update:
 1. Work streams highlights
 2. Budget (no updates since last meeting)
 3. Risks (no updates since last meeting)
2. Next Meeting tbc.

Decisions for this meeting

Public Commitments - work stream updates

Work stream	Update	Status
Initial Complaint Review and Mediation Scheme (Complete Cases)	- Common agreement reached on majority of Working Party TOR, the voting right issue will be resolved after the appointment of the independent chair. - Meeting held yesterday to review/agree ways of working with SS. - Agreements have been sent to the Panel Advisors to sign and return, the final list of advisors will be provided to SPMR's who can choose one of these advisors or select a firm of their choice. - Mediation Pack Funding agreements to be sent to SPMR's this week. - As at 11 September 2012 SS had received 20 cases. The WG agreed 16 should go into the mediation scheme 2 should go into the scheme following PO checks 1 would be returned to the subpostmaster for further information. 1 would progress internally (not exhausted PO process) The group will meet weekly to review new cases and ensure progress on actions. - Following the positive meeting between Alice Perkins and JA. JA's office are drafting a letter to MPs suggesting that a meeting in October would not be required and pushing this out until the new year.	Amber
Adjudication of future cases	- Once the Independent Chair is on board we will review the future process – this work stream will then be re-planned. - Following the meeting with JA and discussion at the steering board we have focused on Sir Antony Hooper. Paula Vennells and Alasdair Marnoch will meet him on September 24th. - After this meeting we will try to get Sir Anthony Hooper to agree a fixed fee for the work to take us up until the end of March 2014.	Amber
Branch User forum	No updates but following the Steering board on 11th September we will return to the original plan and hold the first forum in October.	Amber

Other work stream updates

Work stream	Update	Status
Legal (criminal cases)	• We have agreed the TOR for Brian Altman QC to review. His work should be complete towards the end of October and will include advice on whether Post Office should bring prosecutions. • Meeting on 18th Sept with Fujitsu about evidence they have provided and further support they can give (including discussion about IT expert witness role) • Issue re appointment of academic as IT expert: Criminal lawyers progressing, approval from PO Board will be required. View of QC and criminal lawyer was that this was necessary to deal with challenges in criminal court. • Current plan will updating following QC steer.	Amber
Improvements & Culture change	• Defining the “As is” process work is on track to deliver by 30th Sept. • Quick wins implementations progressing. • Stakeholder input/engagement continues with the project on track to complete the recommended future state by 20th Oct.	Green
Communications	• No updates since last week.	Green
Technology	• Further analysis work underway to understand impact and get required clarifications on changes – these will then be scheduled.	Amber

Legal Update – Case Review

Statistics as at 14/8/2013	Initial Sifts	Fully Reviewed	Disclosure recommended	Discontinued	Comments
To date	168	28	9	4	The cases of J Patel, Brown, Wylie and Knight have been terminated. Decided that Samra should not be terminated at this time.
Remaining	40	18			It is estimated that there are 40+ sift reviews left to carry out. This includes 37 RMG files from archive and it is understood that there may be an unknown number of RMG files yet to come from Scotland and Northern Ireland.



Active cases

Currently there are no active cases

Appendices

- High level milestones
 - Public commitments – slide 8
 - Legal – slide 9
 - Improvement – slide 10
 - Communications – slide 11
 - Technology – slide 12
- Budget
 - Overview – slide 13
 - Actual to August 2013 – slide 14
 - Planned to Mar 2014 – slide 15
- Risk
 - Risk map and descriptions – slides 17 to 18

Public Commitments- High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Mediation Scheme (Collaboratively complete cases) Angela VDB Angela VDB nomination BD and Paralegal Second Sight	▲ 22/07 JA meeting to agree investigation scope and approach ▲ 25/07 First Working Party Workshop to define Ways of Working	▲ 15/08 Working Party sign off ways of working, mediation pack and comms ▲ 22/08 Mediator(s) appointed ▲ 24/08 TOR for Monthly Working Group	▲ 20/09 New ways of working fully implemented ▲ 30/10 complete first case ▲ 18/11 All applications submitted							
Monthly Working Group Boards			▲	▲	▲	▲	▲	▲	▲	▲
Adjudication of future cases Angela VDB Susan Crichton			▲ 16/09 Define process for appealing cases outside the line ▲ 10/09 Appoint an independent figure to determine how an independent safety net might be introduced to adjudicate in disputed cases in the future ▲ 15/09 Independent review commences	▲ 15/10 Independent review makes recommendations ▲ 25/10 Post Office Implements recommendations						
Branch User Forum Angela VDB Lesley Sewell		▲ 12/08 Create Draft TOR ▲ 15/08 Start engagement with stakeholders	▲ 06/09 complete engagement with stakeholders, ▲ 13/09 Issue final TOR and send out invitations to first forum ▲ 10/11 First Branch User Forum							
Branch User Forum meets regularly						▲	▲	▲	▲	▲

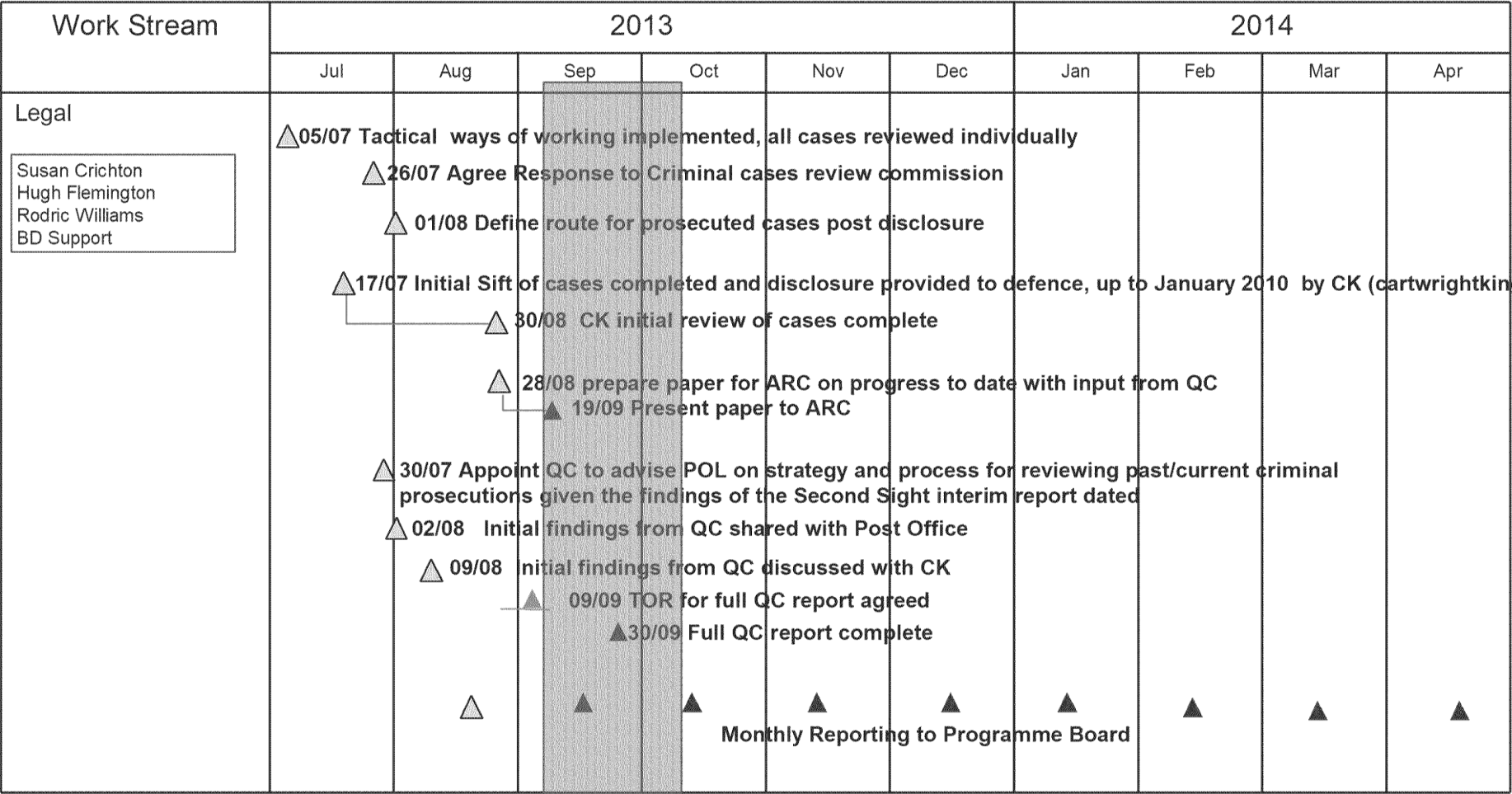
Notes:

Tasks added/amended since last version in red.

Version 007 20130815



Legal - High level Plan



Notes:
Tasks added since last version in red.

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▲ On Track

▲ Achieved Milestone

▲ Original Date (not achieved)

▲ Delayed (no impact)

▲ At Risk/ Delayed (potential impact)

▲ Issue / Delayed (material impact)

Names of critical resources

Dependency

Improvements - High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
All Streams		▲ 24/07 Agree Terms of Reference with Sponsor (Angela) ▲ 06/08 Agree approach to mapping as-is process, scope, and how it will be documented ▲ 08/08 Agree Terms of Reference with steering group ▲ 09/08 Identify resource from each area to support the mapping of the "as-is" ▲ 09/08 Identify process for capturing quick wins ▲ 30/08 Start to identify quick wins (from the mapping exercise) ▲ 05/09 Agree which quick wins should be implemented with Programme Board ▲ 06/09 Begin implementing quick wins ▲ 30/09 Complete "as-is" subpostmaster journey/experience with POL ▲ 30/09 Complete "as-is" Crown colleague r journey/experience with POL ▲ 30/09 Complete "as-is" multiple partner r journey/experience with POL ▲ 05/10 All "Quick Wins" Implemented ▲ 20/10 Complete "to-be" subpostmaster journey/experience with POL ▲ 20/10 Complete "to-be" Crown colleague r journey/experience with POL ▲ 20/10 Complete "to-be" multiple partner r journey/experience with POL ▲ 15/11 Funding for proposal approved ▲ 17/11 Commence implementation projects 15/4 implement mechanism to ensure all processes are regularly reviewed and continue to be fit for purpose ▲								
Culture Change	Note: building questions into reviews. Next steps will follow in output from review.									

Notes:

Tasks added since last version in red.

Version 007 20130815



Communications - High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Communications and MP engagement Angela VDB Mark Davies Alwen Lyons Second Sight	▲22/07 Agree Approach with JA									
		▲ JA, JFSA, POL and SS to communicate process to MPs and SPMRs ▲ Proactive launch Mediation process (press release) >▲ Reactive to Media As cases are mediated press and public affairs team to be updated (for proactive management)	▲ 01/09 Post Office start engagement with MPs – individually explaining mediation process ▲ 11/09 Alice P and JA meeting	▲ 01/10 Start taking MPs through their actual cases						
					▲ 31/10 Joint MP update meeting (follow on from JA meeting)					Date TBC ▲ Engagement with MPs for 25 investigation cases complete

Notes:

Unclear if JA has communicated the process to MPs

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Technology improvements- High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Technology										
Improved guidance		▲ 30/07 Draft improved Subpostmaster guidance for Horizon communication line failure	▲ 15/08 Review guidance with NFSP	▲ 30/09 Issue guidance to branches						
Release 10 improvements			▲ 09/09 Agree contents for Horizon release 10	▲ 30/09 Commercial terms agreed for Horizon release 10					▲ 15/03 release 10 live	
Reporting improvements			▲ 02/08 raise CR with Fujitsu	▲ 30/09 Agree commercial terms with Fujitsu					▲ 15/03 new reports available	
Improvements delivered through ref data		▲ 30/07 Define changes		▲ 31/10 Deliver changes (release 9 dependant)						

Notes:
Draft status.

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Budget - Summary

Budgeting assumptions/notes

1. Does not include cost for Post Office employees, unless backfill is required
2. Does not include any compensation costs, which is a potential outcome of mediation
3. Mediation costs are sensitive to the number of cases. Budgeting assumption is 75 cases.
4. Does not include the £310k spent from April 2012-July 2013 (incl VAT)
5. VAT costs are at 20%
6. All actuals include VAT
7. Does not include the cost of implementing the recommendations of the improvements projects

Programme Forecast August 2013 - March 2014

Item	£k	incl VAT	Comments
Complete Cases (using Mediation)	962	1154	Costs associated with completing the cases. Assumption = 75 cases
Legal and Governance	334	401	Legal costs not specific to mediation, & governance costs (eg working party)
Improvement project	42	50	Cost for quick wins and gap analysis
Technology	50	60	Funding anticipated beyond the £100k Fujitsu funded costs
Total	1388	1665	

Total Project costs April 2012 - March 2014 (incl VAT)

2012/13 April-March Actual	184
2013/14 April - July Actual	126
2013/14 Aug-March Forecast	1,665
Total	1,976



Budget – Costs to Date (last FY and this FY to 1st August)

2012/13 Invoices received									
2nd Sight			Millnet			Kay Linnell			Total
Total		163.98	Total		14.00	Total		6	183.98
Month	Invoice	amount	Month	Invoice	amount	Month	Invoice	amount	
July	65	12.00	Jan	12566/900772	3.7	Jan	811	2.4	
Aug	66	14.00	Nov	12141	7.2	April	842	2.4	
sep	67	11.00	July	13000/900772	3.1	July	874	1.2	
oct	69	6.00							
Nov	72	17.40							
Dec	73	25.00							
Jan	74	26.88							
feb	75	25.90							
mar	76	25.80							

2013/14 Invoiced to 1st August 2013									
2nd Sight			Millnet			Kay Linnell			Total
Total		119.59	Total		3.10	Total		3.6	126.29
Month	Invoice	amount	Month	Invoice	amount	Month	Invoice	amount	
April	77	25.39	July	13000/900772	3.1	April	842	2.4	
May	78	26.35				July	874	1.2	
June	80	24.97							
July	81	42.88							

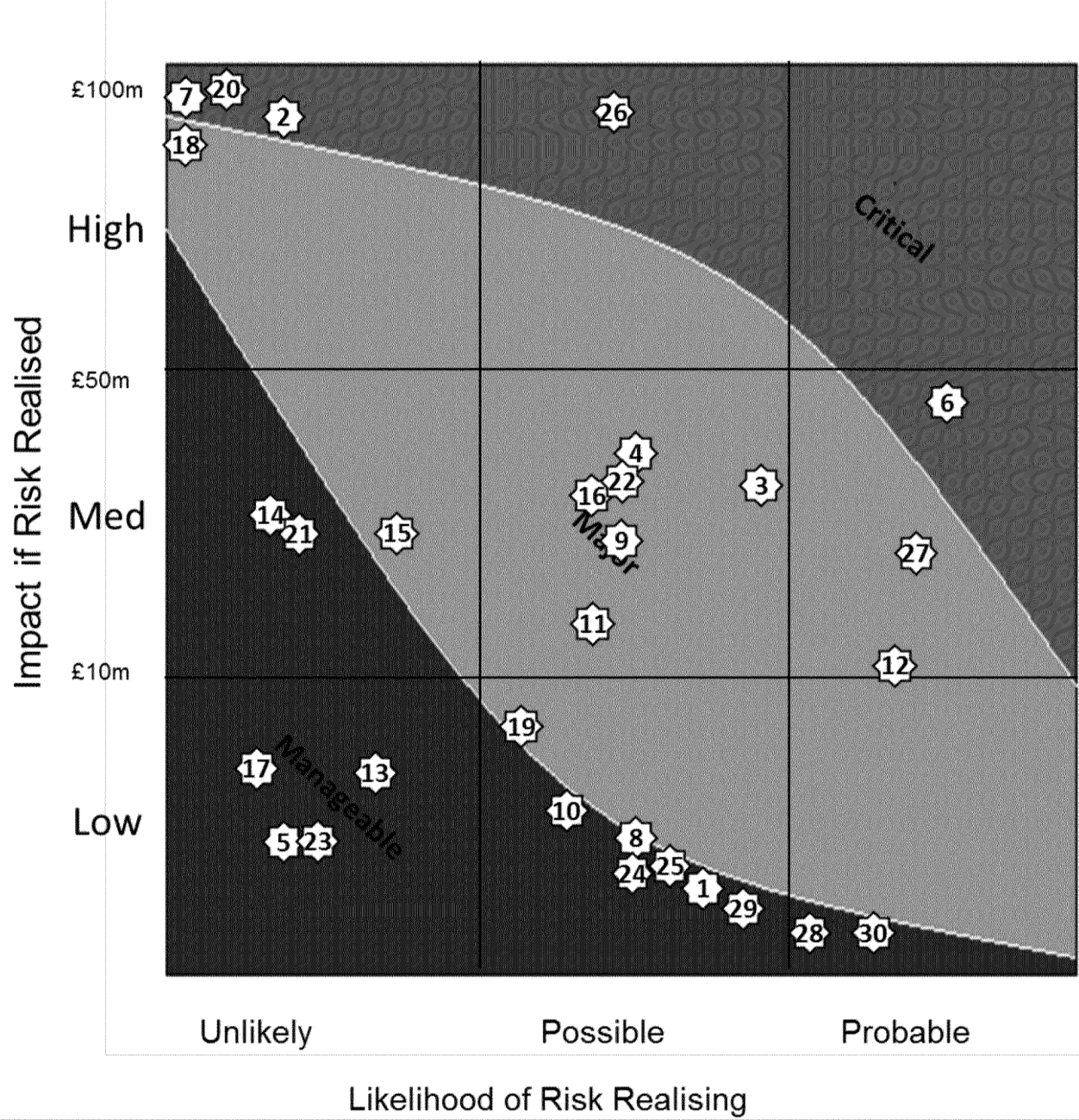


Budget – Forecast (Aug 2013 – March 2014)

Item	£k	£k total net VAT	inc VAT @ 20%	comment	Board Paper low	Board Paper high
Complete Cases (using Mediation)				Assumed number of cases: 75		
Second Sight	125			Second Sight at 25k per month (Aug-December)	100	150
Back fill for internal resources & external assistance	90			15k per month, 6 months		
Mediator(s)	225			Assumed 3k per case - will use a national company		
Mediator Expenses	50			travel, meeting rooms, training etc		
Legal support case preparation - BD	56			£750 per case assume all cases		
Legal support - case advice	28			£400 per case. assume all cases. £400 is their estimate for simple cases, but if we assume some will drop out this should average out.		
Legal support - mediation meeting	150			£2k per case - assume all cases - could recruit internal staff to reduce costs?		
Independent advisor for Subpostmasters	238			Per case: £1.5k case prep + £1k mediation meeting. Plus £50k contingency for more complex cases	350	550
Total: Complete Cases (using Mediation)		962	1154		450	700
Legal and Governance						
General External Legal Advice - BD	120			Advice on: preparing and agreeing mediation process and packs of information for SPMRs. Engaging and briefing mediators, attending working group meetings (ie. advising on rejecting cases; revising mediation process). Advising on Fujitsu related matters. £15K per month		
Case Review - CK	175			Includes QC, Bond Dickinson and Cartwright King	100	300
Kay Linnell/ Alan Bates	14			£2k per month (up to)		
Independant Chair	25				0	10
Total Legal and Governance		334	401		100	310
Improvement project						
Back Fill for Gayle Peacock and Ann Allaker	42			Back fill for 5 people to conduct the gap analysis across the business groups	200	200
Contact Centre	0			assumed this can be done with current resources	40	40
FSC	0			assumed this can be done with current resources	100	100
Total: Improvement project		42	50		340	340
Technology						
Horizon improvements	50			Funding needed beyond the £100k Fujitsu funded costs	0	0
Total: Technology		50	60		0	0
Total		1388	1665		890	1350



Risk map



Risks

	Risk description
2	Risk that subsequent cases could question the validity and reliability of computer system/processes
6	Making decisions outside of policy
7	Risk that relationship with BIS is impacted, affecting future funding
20	Risk that potential franchisees lack confidence in system and are reluctant to engage in CTP
26	Risk of media 'bandwagon'

	Risk description
3	The mediation process is independent and may make decisions with which we are uncomfortable
4	Risk that resolution not achievable because stakeholder interests in conflict with POL objectives
9	Risk the relationship with Fujitsu is damaged
11	Risk of compensation claims or re-opening of old cases
12	Risk of dissatisfied stakeholders even at the end of process
15	Key person reliance
16	Risk of increased fraud/theft
18	Risk that engagement for NTP is lower
19	Risk that general engagement of employees is damaged and results in people leaving
22	Risk that ancillary systems & processes have related or similar issues as yet unquantified
27	Risk of increased bad debt/write-off

	Risk description
1	Risk that there are more cases in the pipeline
5	Risk that the integrity of the brand is damaged and clients/customer trust damaged
8	Risk that we are not co-ordinated in our response to subpostmasters etc
10	Loss of confidence with existing/future clients
13	Adverse impact to the relationship with NFSP
14	Risk that MPs may call for further action e.g. public inquiry
17	Risk that court can overturn previous cases
21	Risk that POL can't afford to complete this process (conflict with cost savings agenda)
23	Risk that customers question transaction made in branch
24	Lack of confidence in SPMRs that POL commitment to sort out issues
25	Risk that problems are exaggerated before researching them
28	Risk that SPMRs with unexplained losses will refuse to provide service until investigation complete
29	Risk of pressure on network support teams
30	Risk that weaknesses in "as is" processes leads to increased pressure/cost on network

Note :

These will be updated following a session booked for 17th Sept. This will document how we will monitor and mitigate these risks. Key risks will be tracked and presented at the weekly steering board.