



## Minutes – 10<sup>th</sup> August 2010 POL Investment Committee



<b>Attendees:</b>	Dave Smith, Mike Moores, Paula Vennells, Gary Hockey-Morley, Debbie Moore, Mike Young, Stephen Ballantyne, Hugh Flemington, Stephen Hirst (Chair), Lisa Smith (minutes)
	<u>Case presentation only:</u> Phil Bowdery, Keith Rann, Colin
<b>Apologies:</b>	Brian Deveney, Susan Crichton

#	Item/Business Case:	Sponsor:
1	<p><b>Minutes from 12<sup>th</sup> July approved</b></p> <p>Stephen Hirst provided an update on the Q1 Project List review, with the current OpEx &amp; Capex forecasts within budget and committed spend at £11.5m OpEx and £22m CapEx. Further detail will be provided at the ET meeting on 24<sup>th</sup> August.</p>	
2	<p><b>Action points from previous meetings</b></p> <p>AP72&amp;73: Mike Young advised that Fujitsu compensation would be resolved soon. Ongoing.</p> <p>AP97: Future of International payments raised at POFs Board, with POFs agreeing to review. Gary will update committee in November. Ongoing.</p> <p>AP102: Gary will review implementation to ensure financial controls on Travel Money rate matching will be cleared with Finance. Ongoing.</p> <p>AP103: Paula will review CRM case regarding sponsorship. Ongoing.</p>	



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<p>3 (ref 100)</p>	<p><b>ATM 100 Rollout</b></p> <p>Mike Moores confirmed that BoI funding the full project with cost recovery through commissions doesn't improve economics. Mike also advised that the possibility of rates charges needs to be made clear to agents.</p> <p>Paula Vennells asked who will be having the conversation with agents and requested for the Network team to be involved where relationships already exist.</p> <p>Instruction was given to persuade agents where possible, not to have an ATM installed. A target of 50 installations was proposed by Gary Hockey-Morley.</p> <p><u>Approved.</u></p>	
<p>4 (ref 101)</p> <p>AP104</p> <p>AP105</p>	<p><b>ATM Business Rate Charge</b></p> <p>Gary Hockey-Morley outlined that the case sets out a request for the following four items:</p> <ul style="list-style-type: none"> <li>• £100k legal costs to fight the case</li> <li>• Continue to pay the charges until the decision date</li> <li>• POL to enforce contractual liability of agents should we lose</li> <li>• Do we recover charges paid from the agents?</li> </ul> <p>Mike Moores commented that it would be better supporting the agents behind the scenes; however Hugh Flemington suggested that by switching the payment process we could send a message that we are not confident of winning.</p> <p>Mike Moores queried who the case was against. Hugh Flemington agreed to check whether it was Bank of Ireland or subpostmasters. <i>(Hugh has since confirmed that POL are acting on behalf of Bank of Ireland in the two cases going to LVAC in November. BOI are the occupiers for rating purposes)</i></p> <p>It was agreed that as of now, agents need to be made aware that they will be liable for costs going forward should the case be lost.</p> <p>Gary will update the committee on the outcome of the case (November).</p>	<p>Hugh Flemington</p> <p>Gary Hockey- Morley</p>



	<p>The business case was approved for the following:</p> <ul style="list-style-type: none"> <li>• £100k legal costs to fight the case</li> <li>• POL to continue paying charges until the decision date</li> <li>• We will enforce liability of Agents post decision date should we lose.</li> <li>• POL will recover charges paid from the agents.</li> </ul> <p><u>Approved.</u></p>	
<p>5 (ref 102)  AP106</p> <p>AP107</p> <p>AP108</p>	<p><b>Supply Chain Vehicle Replacement</b></p> <p>Keith Rann introduced the case and informed that since sending the papers out, procurement have advised Mercedes cannot be used as they won't sign up to the T&amp;C's.</p> <p>Hugh Flemington suggested he would look into an emergency procurement option but was doubtful. Mercedes have been the only supplier for heavy vehicles as not every supplier has the armour ability. Therefore the request is now for 11 vehicles at £1.314m .</p> <p>Dave Smith asked if we can keep all the vehicles running for another year. Keith advised that it would create a significant risk due to high probability of failure.</p> <p>Dave stated that there is no trade off outlined in the paper for running the vehicles for another year. The expected additional costs, risks and lost opportunity for running for one more year needs to be clear in the paper.</p> <p>Keith Rann agreed to update the case to include this information so it can then be circulated via email.</p> <p>Dave advised he would then take the case to Moya Greene for final approval.</p> <p><u>Not approved.</u></p>	<p>Hugh Flemington</p> <p>Keith Rann</p> <p>Dave Smith</p>
<p>6 (ref 103) AP109</p>	<p><b>POCA</b></p> <p>Gary Hockey-Morley agreed to review project team costs.</p> <p><u>Approved.</u></p>	<p>Gary Hockey- Morley</p>



7 (ref 104)	<b>ID Management</b> Dave asked if there was duplication of work regarding front of office. Gary Hockey-Morley confirmed there wasn't.  <u>Approved.</u>	
8 (ref 105)	<b>Queue Busters</b>  <u>Approved.</u>	
9 (ref 106)  AP110  AP111	<b>CORP PIR</b> Mike Moores did not believe the statement regarding 370 offices until March 2011. Paula Vennells advised that it was 373 not 370. Hugh Flemington agreed confirm the Gamma & Union commitment made in connection with Crowns. Stephen Ballantyne queried if all additional cases were included in the PIR. Stephen Hirst agreed to check.  <u>Approved.</u>	Hugh Flemington  Stephen Hirst
10 (ref p14)  (ref p15)  (ref p16)  (ref p17)  (ref p18)  (ref p19)  (ref 111)  (ref p20)	<b>Property Cases</b> <ul style="list-style-type: none"> <li>• Kensington High Street Crown office relocation</li> <li>• Hull (Former Crown) Disposal</li> <li>• Hemel Hempstead Disposal</li> <li>• Southampton 999 year lease approval</li> <li>• Lichfield Sub-let</li> <li>• Farringdon Road MSPO relocation &amp; fit out</li> <li>• Security Alarms Upgrade</li> <li>• Birmingham Midway Cash Centre Security Turnstile</li> </ul> <u>All property cases approved.</u>	
11 (ref 107)	<b>Direct 2010: Online Campaign Measurement &amp; Tracking</b>	



AP112	<p>Gary Hockey-Morley asked if BoI would challenge the contact centre cross sales as we don't want to carry out the feasibility if they object to the full implementation. Paula Vennells agreed to check.</p> <p><u>Approved.</u></p>	Paula Vennells
12 (ref 108) AP113	<p><b>Supply Chain DCPC Training</b></p> <p>Debbie Moore challenged why staff records uplift is not within PALMs which is free. Mike Young agreed to check.</p> <p><u>Approved.</u></p>	Mike Young
13 (ref 109) AP114	<p><b>New Futures</b></p> <p>Mike Moores requested Stephen Ballantyne raise with Group Finance as POL are expecting to treat all costs associated with the separation from group as exceptional.</p> <p><u>Approved.</u></p>	Stephen Ballantyne
14 (ref 110)	<p><b>PayPal - Verification Cash In and Bill Payment</b></p> <p>Mike Moores said the impression was that Group will not be able to fund the activity.</p> <p><u>Approved.</u></p>	
15 (ref 112)  (ref 113)  (ref 114)  (ref 115)  (ref 116)  (ref 117)	<p><b>Cases noted:</b></p> <ul style="list-style-type: none"> <li>• <b>Halifax deposits (£50k Client Funded)</b></li> <li>• <b>Mails Transaction Re-engineering</b></li> <li>• <b>Mails Small Business Offer - Concept Development</b></li> <li>• <b>Envelope Inserter for P&amp;BA (£16.3k)</b></li> <li>• <b>PFW International Changes (£4k)</b></li> <li>• <b>Retail Marketing (£20k)</b></li> <li>• <b>Oldham Lease Renewal</b></li> </ul>	



(ref p21)	<ul style="list-style-type: none"><li>• <b>Design maintenance &amp; tools for formats CMS DDA Requirements (£47.5k)</b></li></ul>	
(ref 118)	<ul style="list-style-type: none"><li>• <b>QAS Feasibility</b></li></ul>	
(ref 119)		
16	<b>AOB</b>	
(ref 120)	<ul style="list-style-type: none"><li>• <b>Transitional Management</b></li></ul> <p>Debbie raised this as a late case for authorisation of additional resource to manage the transitional pool.</p> <p><u>Approved.</u></p>	



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### Action points from previous POL IC meetings:

Ref	Date Raised	Action Description	Resp.	Updates/Comments	Status	Date Closed
25	08/02/10	To consider when a Gamma PIR might be appropriate and for the inclusion of FS and impact of Crown refurb on Gamma payment	Mike Moores / Stephen Hirst	On hold while other BOI discussions are taking place	Ongoing	
35	22/02/10	Consider a formal delegated authorities policy for JVs	Stephen Hirst / Susan Crichton	Susan Crichton is leading on this. It is work in progress. A proposal of a POFS IC has been raised. Response has been received from POFS. Still ongoing.	Ongoing	
37	08/03/10	Simon Mott to clear the approach for future Security cases which reference the plan will not require Group approval, although they may have a negative NPV.	Mike Young / Stephen Hirst	Group have started reviewing and will brief Hugo. Forecast spend reduced by £1m to £1.7m.	Ongoing	
72	19/05/10	Horizon Online drawdown case to come back to POL IC once clear picture of costs.	Mike Young	Negotiations ongoing - expect to resolve soon.	Ongoing	
73	19/05/10	Present a mandate outlining management of compensation from Fujitsu	Mike Young	Negotiations ongoing - expect to resolve soon.	Ongoing	
97	28/06/10	Raise future of International Payments product at POFS Board	Gary Hockey-Morley / Dave Smith	Raised at POFS board, with POFS committing to carry out a review. Gary to update in November.	Ongoing	





98	28/06/10	Using potential tenant, negotiate with the Canterbury landlord in order to bring the premium cost down	Colin Carter	In negotiation with landlord to reduce premium.	Ongoing	
102	12/07/10	Mike Moores wanted to check the financial controls around the rate matching. Gary agreed to have the financial controls around travel money rate matching cleared by Finance.	Gary Hockey-Morley	Gary will review implementation plan to ensure financial control checks are covered.	Ongoing	
103	12/07/10	Mike Young to discuss with Paula about sponsoring the CRM project	Mike Young	Paula will review.	Ongoing	
104	10/08/10	Check who the ATM Business rate case is against	Hugh Flemington	Hugh confirmed that POL are acting on behalf of Bank of Ireland in the two cases going to LVAC in November. BOI are the occupiers for rating purposes	Closed	10/08/10
105	10/08/10	Gary to update committee on the outcome of the ATM Business Rate court case.	Gary Hockey-Morley			
106	10/08/10	Investigate possibility of an emergency procurement option for dealing with Mercedes for supply of armoured vehicles.	Hugh Flemington			
107	10/08/10	Supply Chain Vehicle Replacement case to be updated with expected additional costs, risks and lost opportunity for running for one more year.	Keith Rann			
108	10/08/10	Dave Smith to agree updated Supply Chain Vehicle case with Moya Greene	Dave Smith			
109	10/08/10	Review POCA Phase 3 project team costs	Gary Hockey-Morley			
110	10/08/10	Confirm Gamma & Union commitment made in connection with Crowns.	Hugh Flemington			
111	10/08/10	Confirm all additional cases are covered in the CORP PIR	Stephen Hirst			
112	10/08/10	Check that BoI would not challenge the contact centre cross sales project	Paula Vennells			



113	10/08/10	To see if Supply Chain DCPC Training staff records uplift could not be done through PALMs which is free.	Mike Young			
114	10/08/10	Raise New Futures case with Group as POL are expecting to recover costs from Group.	Stephen Ballantyne			

Next POL IC 7<sup>th</sup> September