



Horizon Operations Overview

23 May 2024

What is the purpose of this pack?

This presentation provides an overview of the workstreams within the Horizon IT Operations portfolio.

We're going to cover the following:

Explain activities and
services within Horizon
IT Operations



Summarise achievements and
milestones achieved across
these workstreams



Outline objectives moving
forward as part of POL's
longer term IT strategy



What are we going to cover?

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Horizon & Fujitsu

Horizon & Fujitsu Service Management

The Horizon Agreement ensures Fujitsu support and maintain the system as per their contractual obligations. Annual Horizon running costs are approx. £38 million with the Agreement currently extended until March 2025 (including Data Centre & Test Infrastructure services).

From an **operational perspective**, the following mechanisms monitor Horizon services Fujitsu provide to POL.

Horizon IT Service Fujitsu Governance Meetings

Embedding a robust meeting framework to assess service performance

Problem Review	Review open problem records, newly created problem records, and problems to be closed.	Weekly
Defect Review	Review new Horizon defects, and progress on resolving existing defects.	Weekly
Capacity Review	Review monthly capacity reports with Fujitsu to identify any issues, and ensure corrective actions	Monthly
Service Review	Review service performance – hot topics, SLA results, change management, incident management.	Monthly
CSI	Review Fujitsu Continual Service Improvement initiatives	Monthly

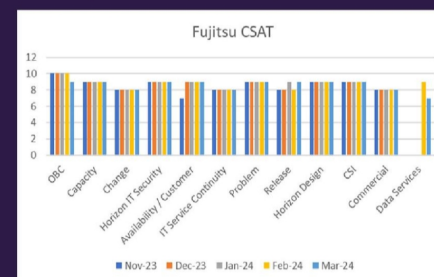
Fujitsu Service Level Target Performance

Measuring real-time branch service performance – **green** for past 12 months:

Service Level	Target
Central network, & sales database unavailable in more than 10% of branches	<= 4 core hours per calendar year
ETU, DVLA, PAF, APOP services unavailable in more than 10% of branches	<= 15 core hours
Average time for a Basket Settlement (time in data centre only)	<= 1.5 seconds
Maximum time for a Basket Settlement (time in data centre only)	<= 6.5 seconds

POL Fujitsu Satisfaction Survey (monthly)

Inviting POL Teams who work with Fujitsu to provide feedback on service



Fujitsu Service Extension & Exit

From a commercial perspective, we need to balance challenging Fujitsu as part of standard Contract Management assurance while working in partnership to smoothly exit services.

To support this, POL are standing up a team with Fujitsu to assess continuation of Fujitsu / Horizon service until 2030. This will evaluate opportunities to remove or reduce Fujitsu reliance ahead of this time whilst also maintaining the IT infrastructure landscape needed to support an effective transition of service.

Service Roadmap

Reduce and remove services Fujitsu provide to POL

2025

2026

2027

2028

2029

2030

Technology Roadmap

Review end of service life IT infrastructure components to support transition of service

IRRELEVANT

Retail Products & Platforms

Retail Products & Platforms - Performance

Some **14 million Banking** and **9 million Payment counter transactions** are completed monthly across the network – our focus is to ensure we continue providing an **effective service** to enable these product journeys, supported by the **right infrastructure**, in a changing and competitive landscape.

We're doing this in the following ways:

Enhancing service portfolio

- Transitioned Evri & DHL PUDO carriers successfully into IT service
- Integrated Monzo banking services across branch network
- Implemented 2D barcode scanning for home shopping returns & online postage

Maintaining IT infrastructure

- Upgraded SSKs ready for circulation of new King Charles bank notes
- Piloted PEDs successfully with positive Postmaster feedback
- Completed Phase 1 migration to move routes from PODG to POETS

Preparing for the future

- Introduced NBIT Banking Services as part of latest release, with support from Branch IT Service Management.

Retail Products & Platforms – Priorities

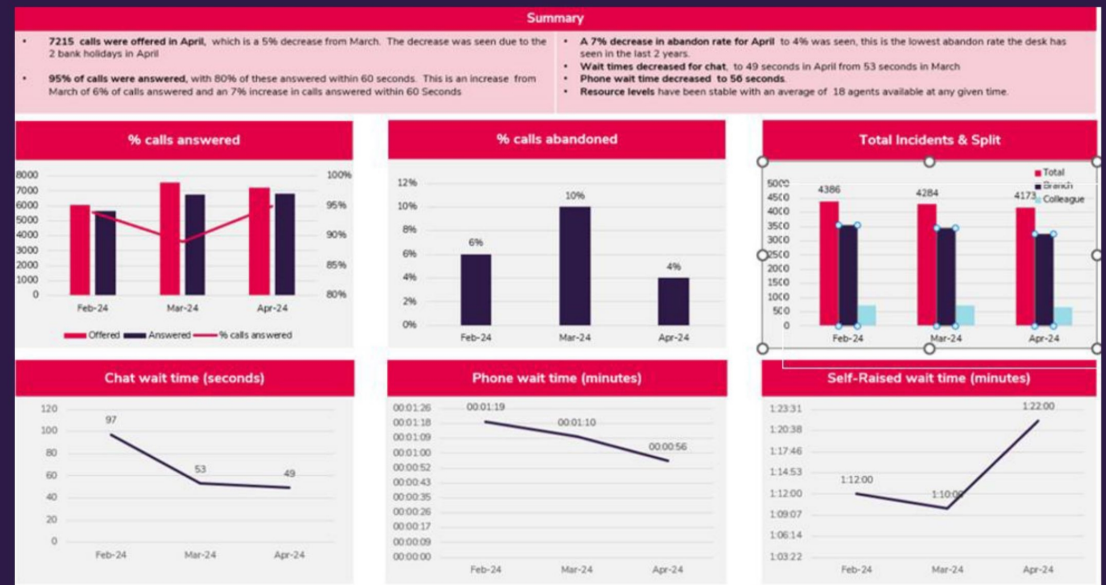
As we move forward, our focus for FY 2024 / 2025 is on the following objectives:

	Activity	Challenges
IT Infrastructure	Complete Pin Pad (PED) replacement programme across branch network	Delays & increased roll out costs due to requirement for new PSUs with longer procurement lead times
	Maintain existing SSKs across estate and supporting next generation SSK roll out	Management of Service End of Life for Fujitsu not yet defined risks increased operational resource and costs
	Support replacement Paystation (2nd device) roll out in partnership with Worldline to ensure continued legacy support	2nd Device may not complete network roll out by March 2025 with no service extension granted from Worldline
Commercials	Debit and Credit card procurement for payment acceptance in branch and online (Worldpay & Global Pay)	Lack of alternative options for service provision outside Worldline
	Accenture Common Digital Platform (CDP) front office re-procurement & alignment to POL longer-term Cloud strategy	
	Strategic decision on potential termination of American Express card acceptance	
Service Improvements	Banking & Payment – Horizon to NBIT transition and maintaining Worldline service	- Management of Service End of Life for Fujitsu not yet defined risks increased operational resource and costs - Lack of engagement and alignment between NBIT programme and BAU IT Operations and Service
	PUDO & Identity service improvements	
	Supporting reduction of defect backlog and Breakfix transition to BAU IT	

DXC & IT Service Desk Performance

DXC & IT Service Desk Performance – April 2024

- DXC have **outperformed** all Engineering (hardware) SLAs for last 3 months.
- **4,173 incidents** received by IT Service Desk in April (3,245 Branch and 675 Colleagues).
- Average call wait time was **53 seconds**.
- **Epson Printers** and **Pin Pads** most common reasons to log incidents with 29% and 41% fixed respectively on first contact.



Postmaster IT Working Group

Postmaster IT Working Group



- The Postmaster IT Working Group has enabled Postmasters to play **an active role** in how POL makes changes to IT.
- Over **300 Postmasters** now form part of the group.
- Horizon Improvements - such as **Drop & Go, E-Top Up and Fast Cash** - have been **successfully delivered** from feedback and input of the group.





What's our approach?

Postmaster IT
Working Group

NFSP

Postmaster
Familiarisation

User Acceptance
Testing

Postmaster & Area
Manager Comms



Postmaster
Support Materials

Develop solution
design with
Postmasters

Engage NFSP reps
team on
proposed changes

Enable Postmasters to
see solution and
share feedback

Test solution with
Postmasters based on
real life scenarios

Raise Postmaster
awareness through
BAU comms channels

Produce FAQs &
support tools e.g.
video to reinforce
awareness

Working in partnership with Postmasters

Horizon Defects Management

What improvements have been made to Defect Management?

More **robust testing and governance** forms a key component to how Horizon system defects are managed.

Defect Definitions
Consistently identify system defects by severity and business impact



Defect Tooling
Leverage consistent tools – ServiceNow & Jira – to log, track and test defects until resolution



Defect Triage & Thresholds
Bi-weekly meeting with Fujitsu to discuss system defects by severity with set of limits on accepted defect volumes during testing



Defect Review Forum
Weekly session run by POL with Suppliers and stakeholders to monitor defects status



Defect Criticality
Postmasters and POL stakeholders assess any new defect impact to build understanding and prioritise urgency for resolution



Defect Comms
Postmaster facing Branch Hub & Knowledge Article issued within 2 day SLA once defect raised with status of all current defects available on Branch Hub



These improvements give **Post Office confidence** that when Horizon data and system issues are identified, the **right processes and structures** are in place to resolve these more quickly.

Defect Management – latest status

More transparent communications ensures Postmasters are kept informed of known Defects with the status of these published on Branch Hub.

Current Open Horizon Problems

Horizon Problem Category	Open Horizon Problems as at 01/05/2024	Closed Problems since logging started on Service Now in September 2020
Potential for Financial Impact	4	35
Poor Experience (No potential for financial impact)	28	195

Open Horizon Problem Status (with potential to cause financial impact)

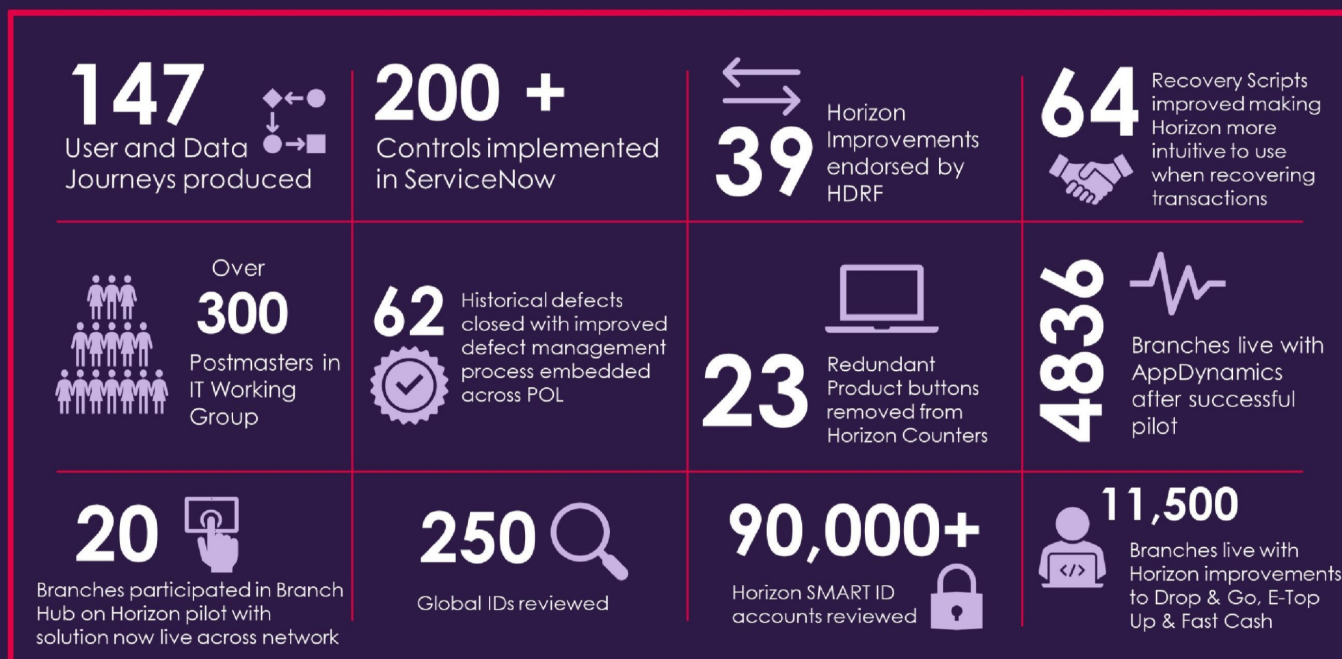
Under investigation	1
Fix understood - being developed	2
Fix developed - waiting deployment in scheduled release	1

Horizon Remediation Programme

Horizon Remediation Programme

The Programme was established in 2021 to address the outcomes of the **Horizon Issues Judgement (HIJ)**, helping re-build **Postmaster trust and confidence** in the system.

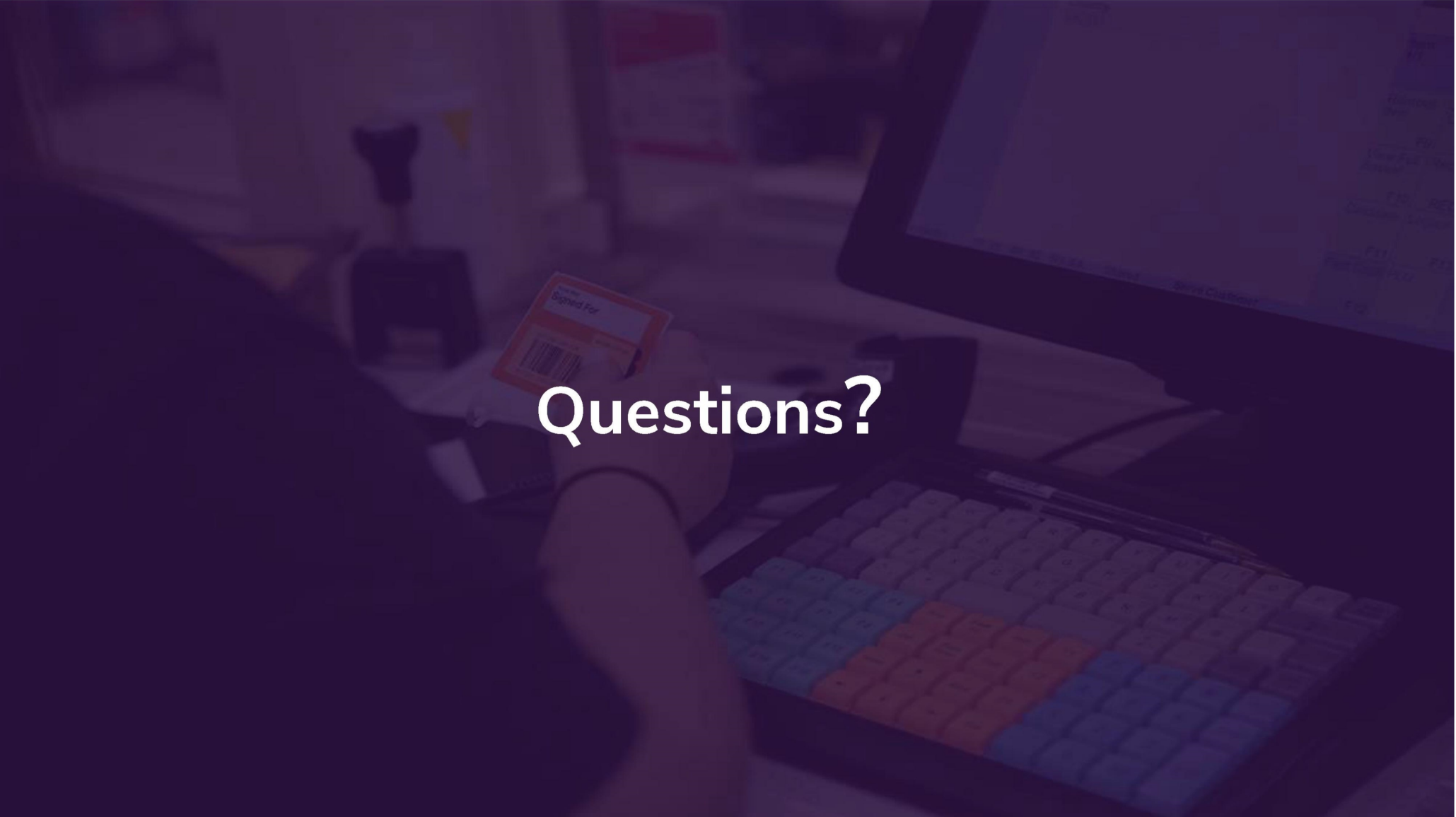
Over the past 3 years, the Programme has **achieved a series of important milestones** to improve Horizon, mitigate HIJ findings and ensure the system remains sustainable whilst Post Office continues to use it.



Horizon Remediation Programme – what's next?

As the Programme now moves into Horizon IT BAU Operations, the following projects remain in flight.

	Activity			Timeline
Horizon Improvements	Fast Cash Reversals Enable ability to confirm method of payment so Fast Cash transactions can be reversed on the counter			June
	Recovery Script Orders Further optimise Recovery Scripts so processes perform recovery in the correct sequence e.g Bureau Orders			August
Auto Stock Rem In	Use one consistent source of POL Secure Stock data for more accurate view of products held in branch	Automate Rem In of Secure Stock into Horizon so it is no longer done manually	Reinforce barcode scanning to sell Secure Stock in branch	July (Pilot)
ARQ Audit SAN	Transition control and execution of the Audit Record Query (ARQ) process and Audit Storage Area Network (SAN) into the POL domain			March 2025



Questions?