



Sub-Postmaster Improvements & Mediations

Weekly Steering Group

1st August 2013

Agenda



1. Actions from previous meetings
2. Achieved and key upcoming milestones
3. High level plan
4. Legal Update
5. Funding requirements
6. Options regarding Second Sight

Decisions for this meeting:

1. Approve new and changed milestones
2. Agree funding proposal for mediation process, including independent advisor support for subpostmasters
3. Agree potential approaches to limit second sight costs and involvement

Actions from previous meetings



Ref	Action	Who	Due	Update	Status
Actions from meeting 24/07/2013					
1	Change plan to align to our commitments; adjudication, working group, branch user form	Simon	31/7		Complete
2	Add in a general comms section in the plan (not just mp engagement)	Simon	31/7		Complete
3	Add in a "culture change" stream/sub group	Angela/Simon	7/8	Complete – Gayle to populate	complete
4	Set up weekly steering committee	Simon	25/7		complete
5	Split process improvement part of the plan into the sub groups	Simon	2/08		complete
6	Define process for subpostmasters to appeal outside the line	Susan/ Angela	7/8		open
7	Add technical work stream into plan to track key IT improvements	Simon	2/08		complete
Actions from meeting 26/07/2013					
1	Draft an e-mail to JA, providing an update of the workshop and a communication he can forward to the other MPs	Simon	26/7	Email sent to JA on 29/07/2013	complete
2	Prepare draft costs for overall programme of work for discussion at next week's meeting	Simon	01/08		complete
3	Include an update on the review of legal cases in future meetings	Simon	01/08		complete
4	Find an independent Chair for the Monthly Oversight Board	Mark	08/08		open
5	Prepare a strategy paper for MP engagement	Mark	08/08		open
6	Arrange a risk workshop	Simon	08/08	Scheduled for 16 th August	complete
7	Prepare a proposal on how we contribute to sub postmasters expenses for mediation and funding an independent advisor	Simon	01/08	Included in slides deck	complete

Actions**Milestones Completed (since last meeting)**

Milestone	Who	Due
First Working Party Workshop to define Ways of Working	Working Party	25/07
Agree Response to Criminal Cases Review Commission	Susan	26/07
Draft improved Subpostmaster guidance for Horizon communication line failure	Lesley	30/07

Key upcoming milestones

Milestone	Who	Due
Sign off TOR for Process Improvement projects [may not be possible in Angela's absence]	Gayle Peacock	2/8
Create a mediation agreement – explaining the mediation process and the obligations on all parties	Andy Parsons	2/8
Create Branch User Forum TOR	Angela / Lesley	12/08
Select independent Mediator(s)	Susan	22/08
Prepare paper on pros and cons of continuing to bring prosecutions	Susan	28/08
Appoint independent Chair	Susan	10/09

Public Commitments- High level Plan



Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
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 ▲ 08/08 Working Party sign off ways of working, mediation pack and comms ▲ 12/08 New ways of working fully implemented ▲ 22/08 Mediator(s) appointed ▲ 24/08 TOR for Monthly Oversight Board agreed ▲ 30/10 complete first case 01/03 Start mediation process for new cases								▲ 28/02 All MPs high priority cases completed	
Adjudication of future cases Angela VDB Susan Crichton		▲ 22/08 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 interested parties ▲ 06/09 complete engagement with interested parties, including NFSP ▲ 13/09 Issue final TOR and send out invitations to first forum ▲ 05/10 First Branch User Forum Branch User Forum meets regularly (frequency agreed in TOR)								

Notes:

Tasks added since last version in red. Tasks with strike through will be removed in next version of the plan.

Version 005 201307

▲ 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

5

Legal - High level Plan



Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Legal	△05/07 Tactical ways of working implemented, all cases reviewed individually △17/07 Initial Sift of cases completed and disclosure provided to defence, up to January 2010 △26/07 Agree Response to Criminal cases review commission ▲20/08 Second sift complete ▲28/08 prepare paper on pros and cons of continuing to bring prosecutions ▲19/09 Present paper to ARC ▲25/08 Define route for prosecuted cases post disclosure ▲30/01 Consider the need for an adjudication process ▲ Monthly Reporting to Programme Board									
Governance	▲15/08 Agree programme board Terms of Reference ▲ Monthly Programme Board Other Governance meetings include: Daily status meeting Twice weekly update meeting with external lawyers Weekly stream lead meetings Weekly key stakeholder meetings Weekly Steering Group (Paula as Chair)									

Notes:

Draft status.

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Names of critical resources ---> Dependency

6

Improvements 1 - High level Plan



Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
All Streams		02/08 Agree Terms of Reference 05/08 Establish Programme Governance and Working Groups 30/09 Complete mapping the "as is" process 05/10 All "Quick Wins" Implemented				25/10 Complete gap analysis – consolidated costing proposal 30/11 Funding for proposal approved 01/12 Commence implementation projects 15/4 Implement mechanism to ensure all processes are regularly reviewed and continue to be fit for purpose				
Audit		10/08 Start mapping the "as is" process 15/08 Identify "Quick Wins"		30/09 Complete mapping the "as is" process 05/10 All "Quick Wins" Implemented		20/10 Complete gap analysis – create costing proposal				
Training		10/08 Start mapping the "as is" process 15/08 Identify "Quick Wins"		30/09 Complete mapping the "as is" process 05/10 All "Quick Wins" Implemented		20/10 Complete gap analysis – create costing proposal				
Field Support		10/08 Start mapping the "as is" process 15/08 Identify "Quick Wins"		30/09 Complete mapping the "as is" process 05/10 All "Quick Wins" Implemented		20/10 Complete gap analysis – create costing proposal				
Culture Change										

Note: Milestones to be provided by Gayle/Angela by 15/08

Notes:

Draft status.

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7

Improvements 2 - High level Plan



Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Contracts		▲ 10/08 Start mapping the "as is" process ▲ 15/08 Identify "Quick Wins"		▲ 30/09 Complete mapping the "as is" process ▲ 05/10 All "Quick Wins" Implemented		▲ 20/10 Complete gap analysis – create costed proposal				
Security		▲ 10/08 Start mapping the "as is" process ▲ 15/08 Identify "Quick Wins"		▲ 30/09 Complete mapping the "as is" process ▲ 05/10 All "Quick Wins" Implemented		▲ 20/10 Complete gap analysis – create costed proposal				
Helplines		▲ 10/08 Start mapping the "as is" process ▲ 15/08 Identify "Quick Wins"		▲ 30/09 Complete mapping the "as is" process ▲ 05/10 All "Quick Wins" Implemented		▲ 20/10 Complete gap analysis – create costed proposal				
Finance Service Centre		▲ 10/08 Start mapping the "as is" process ▲ 15/08 Identify "Quick Wins"		▲ 30/09 Complete mapping the "as is" process ▲ 05/10 All "Quick Wins" Implemented		▲ 20/10 Complete gap analysis – create costed proposal				
Technology		▲ 30/07 Draft improved Subpostmaster guidance for Horizon communication line failure ▲ 15/08 Review guidance with NFSP ▲ 30/08 Issue guidance to branches								
Release 10 improvements			▲ 30/08 Agree contents for Horizon release 10 ▲ 30/09 Commercial 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 ▲ 30/08 Deliver changes								

Notes:

Draft status.

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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 30/07 JA to communicate process to MPs 01/08 Start engagement with MPs		01/10 Start taking MPs through their actual cases – highest priority first 31/10 Joint MP update meeting 15/03 Engagement with MPs for 25 investigation cases complete						

Notes:

Unclear if JA has communicated the process to MPs

Version 005 201307

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

Legal Update – Case Review



Cartwright King have sift reviewed 151 cases, including 19 from Scotland and Northern Ireland. Of those 19, 4 sift reviews are incomplete as we have insufficient information at present.

It is anticipated that there will be further files from Scotland and the RMG to add to the review process once they have been received.

They estimate that there should be less than 20 cases left to sift review.

Of the 151 cases which have been sift reviewed, 20 cases have had a full review and there are 10 further cases to review.

Further disclosure has been provided to the defence in 9 cases to date.

Funding – costs to date

To date the investigation to date has cost £260k, including VAT.

2nd Sight			Millnet			Kay Linnell			Total
Total		240.69	Total		14.00	Total		4.8	259.4894
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				
oct	69	6.00							
Nov	72	17.40							
Dec	73	25.00							
Jan	74	26.88							
feb	75	25.90							
mar	76	25.80							
April	77	25.39							
May	78	26.35							
June	80	24.97							

Funding – expected future costs (exclusive of process improvement implementation)



Item	£k	£k total	comment		Board Paper low	Board Paper high
Complete Cases through Mediation			Assumed number of cases:	75		
Produce case reviews (July-December)	150		Second Sight at 25k per month		100	150
Produce case reviews (Jan-March)	45		Replacement at 15k per month			
Mediator	300		Assumed 4k per case			
Mediator Expenses (meeting rooms etc)	50		travel, meeting rooms, etc			
Independent advisor for Subpostmasters	225		Assumed 3k per case (16 hours @ £175 per hour + £200 for expenses)		350	550
Total cost to complete cases		770			450	700
Legal						
Cost of External Legal Advice	200		Includes QC, Bond Dickinson and Cartwright King		100	300
Independent Chair	10				0	10
Total Legal Costs		210			100	310
Process improvement						
Process improvement workstreams	200		Back fill for 5 people to conduct the gap analysis across the business groups		200	200
Contact Centre	40		Three people to do gap analysis in in contact centre		40	40
FSC	100		Two people in FSC to provide data on specific cases		100	100
Total Process Improvement		340			340	340
Total		1320			890	1350

Notes:

1. Process improvement costs are only high level estimates, more detailed and accurate estimates are expected mid-August
2. Does not include £100k Horizon improvement costs, which are being funded by Fujitsu/and or Service Management.
3. Mediation costs are sensitive to the number of cases to be mediated. Budgeting assumption is 75 cases. There is a risk that there could be as many as 130 cases.

Budget for Subpostmaster support

- BD and JFSA have both provided their view on how much we should budget for Subpostmaster support and expenses.
 - BD estimate £4k per case
 - JFSA estimate £2k per case
- Neither included travel expenses in their estimates
- As we look to move Second Sight away from the investigation more work will fall on the advisor to prepare the case, the quality of the advisor will help/hinder this process.

Recommendation:

- Subpostmasters receive upper limit of £2k per case. (obviously, we will only approve legitimate, invoiced costs).
- Post Office budgets the higher amount (£4k) to allow us to recruit higher calibre advisors if necessary and to cover the contingency that they take longer to prepare than estimated, or we receive more cases than estimated, and cover other expenses eg travel

View of BD		View of JFSA	
Daily rate	200	Daily Rate	125 based in legal aid rate
	A national firm (like Bond Dickinson, Shoosmiths or a regional branch of a big accountancy practice) will charge around £175 - £375 per hour	Hours in preparation	16 Kay Linnell's estimate
Hours - Preparing the case	20		2000
	4 to 16 hours in preparation (depending on complexity) and 4 hours in mediation meetings		
Total	4000		

Second Sight Proposals



Objective

We have committed that Second Sight complete the review of the cases in the investigation (43). The investigation will now cover a larger number of cases beyond this. We need to find a way to allocate these new cases to an alternative party.

Options.

- Keep Second Sight to December, use a alternative organisation from January onwards
- Alternative organisation recruited now and works in parallel with Second Sight (Second Sight only doing the original cases)
- We adapt the independent advisor role into the role currently being performed by Second Sight (preparing case files)

Challenges

- Gaining support from JA, JFSA (and maybe Second Sight)
- Expectations have been set with MPs that Second Sight will continue with the investigation to the end. (exerts from parliamentary debate below)

Proposal

- Start engaging with key stakeholders (including Second Sight) about engaging an additional company to initially support them (to cope with the anticipated increased work load). The new organisation would need to have Second Sight's approval
- After the initial cases are completed the new organisation takes over.

...will set up a working party to complete the review of cases started by Second Sight, and will consider all 47 cases brought forward by the Justice for Subpostmasters Alliance

It is important that any further work is not only independent, but seen to be independent, and clearly the role of Second Sight in that is important

The continued input of Second Sight is incredibly important, given its familiarity with the case so far and the fact that it enjoys the confidence of many of those involved.



Reference Material

1. **Public Commitments**
2. **Governance bodies and working groups**
3. **Mediation process**



Appendix – our public commitments



1. The creation of a working party to work collaboratively to complete the review of cases started by Second Sight last year. This would examine the themes identified by Second Sight and consider all cases brought forward by the JFSA and MPs, together with any new themes which emerge from these cases. The JFSA have been invited to join this working party.
2. A review chaired by an independent figure to determine how an independent safety net might be introduced to adjudicate in disputed cases in the future. Again the JFSA and other stakeholders will be invited to take part in this process.
3. A new Branch User Forum to provide a way for sub-postmasters and others to raise issues and insights around business processes, training and support, directly feeding into the organisation's thinking at the highest level. A key task for this forum will be to review support processes and training to ensure they meet the standards expected of the Post Office.



