POL00374656

Branch Support Programme

Steering Group Meeting – Friday 11th July 2014

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Agenda

Action point up-date

Up-date on KPIs

Progress against work streams

New risks and issues

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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. £4.1m (+ VR c £4m)
Timescales - complete by March 2015

Time	A
Cost	G
Benefit	A
Quality	G

Performance (Benefits)

Programme KPI	Period 3 Target YTD	Period 3 Actual YTD	Full Programme Target (RAG)	Full Programme Forecast
Operating cost reduction			£3m	£3m 15/16
Number of spmr suspensions	5	6	60 p.a.	60
Reduction in agent net debt	£1m	£125k +	£1m	15/16 full year
Satisfaction with training	95		95%	95% 15/16
Reduction in calls to NBSC	25		25%	25% 15/16
Reduction in >£10k shortages	7	TBC	50%	Full year

Status Update (1) The prototype for the on-line regulatory compliance training is now live and being tested by users (2) The alternative compliance prototype provided by Saba is on track for delivery w/c 14th July (3) The Change Request to Fujitsu for HORIce has been accepted and approved (4) The revised logging process for the financial and compliance audits has been launched with the Field Support Advisors (5) The duplicate bureau receipt is on track for testing in the model office on the 21st July (6) The video platform for stock ordering is progressing (7) Debt status red due to 2 large audit shortages (8) NBSC call reduction will be visible in Period 6

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.

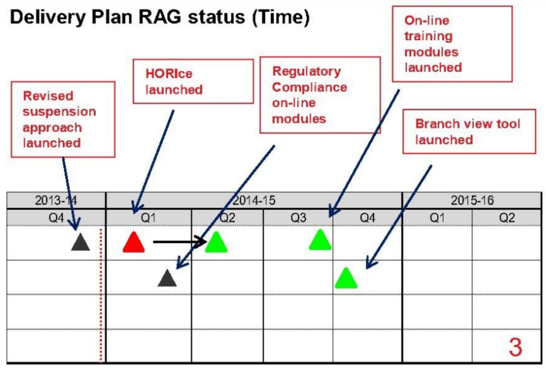
Colleagues Branches are currently testing the on-line regulatory compliance training prototype. Positive feedback has been received. Branches have also been visited as part of the cheque remmittance improvement process. The Programme continues to involve colleagues in work streams to deploy improvement activities. The Branch User Forum will be visiting NBSC in August as part of wider business awareness piece.

Third Parties The NFSP remain positive about the Programme. A regional meeting has been attended and a full workshop was held to go through work stream plans. Positive feedback was received and they are fully on board with approach. Royal Mail and Parcelforce are attending July meeting of Branch User Forum.

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 considered. Timeline currently being mapped
The business preferred Case Management Tool may not be the most appropriate tool to deliver the Programme requirements	15	5	3	Pilot in FSC will identify whether Dynamics will be able to solve the business problem our Programme is trying to address

Dependencies	Status	Actions
Dependent on IT and Fujitsu to deliver Programme changes and projects	Fujitsu have returned CR approved and work can now be undertaken. Extra budget has been released by Programme to facilitate extra resource required in Ref Data team	Continue tracking progress
Dependent on Business Transformation identifying what is in scope and out of scope to prevent double counting of benefits	Currently working with Wipro and Programme to map business processes. Lots of areas being mapped are currently in scope of the Branch Support Programme	Ensure responses presented back by BTr reflect observations from Network

Delivery Plan RAG status (Time)



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Up-date on KPIs

- Impact on net debt is showing red against target this month. This is due to 2 large audit shortages (£130k + £50k) which has wiped out the benefits seen in Period 1 and 2
  - Delays in deployment HORIce could lead to increased risk of further high amount audit shortages
  - Average debt figures were running at £9m in 2012/13 prior to the change in suspension policy and out-turned at £7.5m. Debt is starting to increase back up to £8m.
- Suspension figures still in line with expectations. Whilst we are tracking the overall number, this will not form part of Contract Advisors' targets as this may drive the wrong behaviour
- Baseline figures have been agreed with NBSC. We will be tracking against the top 5 call areas based on last year and this year.
- The regulatory compliance on-line training prototype is being tested which includes a feedback survey. This will give us a satisfaction baseline for on-line training.

2 Special Audit requests were arranged in Period 2 for branches where Security had raised concerns about ATMs,

Baseline we will be using for reduction against NBSC numbers will be the Top 5 areas listed below

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Milestone Plan

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Activity/Work stream	Owner	Benefits/Metric associated	Q1	Q2	Q3	Q4
Pre-appointment	Lin Norbury	£30k per annum resource saving			Launch revised application process	Streamline supporting interview process
Training	Sarah Malone	£450k saving 95% satisfaction				Revise counter training room content to on-line platform
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		Start pilot with FSC Root cause analysis of NBSC calls begins Start of Network Services review		Deploy CRM across Ops Support areas
Physical Support	Drew Mcbride	£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	Revised cheque rem process launched	Deploy CRM
Leavers	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			

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Workstream status

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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 and approach agreed • Lower level plan agreed	• Progress improved on-line application process	• August – preliminary feedback on review of appointment process
Training	• "End-state" vision agreed by group • Activities identified to deliver business benefit with high level milestones identified • Project Manager resource requested	• Meeting scheduled for 15th July to confirm project manager resource	• Meeting scheduled for 15th July to confirm project manager resource
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 • Lower level plan identified	• Pilot Dynamics case management in FSC	• Meet with Ciber to build pilot case management for testing in FSC • Visit to FSC

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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 • Revised audit logging process launched	• Agree approach with key stakeholders	• July 16th – present compliance audit proposal to stakeholders for acceptance
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 • Dynamics confirmed as Case Management Tool	• Agree approach with Ciber for Case Management Tool	• 21st July for model office testing for bureau receipt • 16th July – Ciber discovery day for approach to pilot in FSC
Leavers	• Revised suspension process already implemented with supporting policy change • Scope of work stream increased	• Policy PIR to be undertaken	• 31st July
On-line Regulatory Compliance Training	• EMC prototype being tested • Saba prototype released for testing	• Review prototypes against measures • Make recommendation for wider roll-out	
HORIce	• CR approved with Fujtsu	• Produce delivery plan with Fujitsu	• 15th July to produce delivery plan

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New risks

- IT have confirmed that Dynamics is the only solution available for any business unit regarding development of a case management tool. There has been no rationale for this decision provided and therefore until we pilot the solution, we will not be able to fully understand whether it will provide the function required. If it doesn't there is a risk to the benefits predicted which at this stage we are unable to quantify what this would amount to. In waiting for this decision to be made, we have lost valuable time which will impact on our ability to implement an alternative before the Programme officially closes down.

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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 Fujistu 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	13th 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	30th June 2014
Potential double counting of benefits for NBSC cost savings	2	4	8	As above.	Amanda Gayle	30th June 2014