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POST OFFICE GROUP EXECUTIVE

Branch Support Programme Improvements Update

1. Purpose

The purpose of this paper is to:

- 1.1 update the Post Office Executive Committee on the improvements made to the support offered to postmasters as a result of the Branch Support Programme.

2. Improvements to Training

- 2.1. The content of the classroom training provided to new postmasters has been refreshed with more focus on:
 - balancing and how to look for discrepancies when they occur within branch.
 - contractual obligation regarding discrepancies that do occur and how to process discrepancies correctly
 - explanation of False Accounting and the potential consequences i.e. criminal offence
- 2.2. A revised balancing guide has been introduced to help new postmasters balance their accounts correctly; this is a hand-out from the initial training provided to new postmasters and assistants where appropriate. A further best practice guide to identify discrepancies in branch has been introduced. This is a hand-out at on-site training for new postmasters and follow-up visits where branches are experiencing balancing difficulties.
- 2.3. A revised training offer that replaces approximately two thirds of the classroom training for new operators with online training to be completed prior to attending classroom training has been designed. Partnering with Capita Digital Learning, we have created multi-media online learning, including video, games and quizzes to ensure to appeal to the broad range of end users that will consume content. The on-line training for Postmasters, and their assistants went live on 5th February 2015.
 - The learning material wraps in messaging around customer service and sales conversations, and has been developed with a cross-Post Office team including Crown, Network and Commercial teams. The first classroom training for the blended training offer takes place w/c 23rd February.
 - To ensure that each postmaster has a smooth onboarding journey, access to compliance training and to the product training is available via SubSpace Online. Options to extend the availability of the on-line training are being scoped with a view to delivering in Q2 15/16.

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- 2.4. Compliance testing is a precursor to new postmaster training and is an annual regulatory requirement for all branch staff. This is now being provided on-line to the branch network replacing the traditional paper workbooks.

3. Balancing/Accounting Support Improvements

- 3.1. A refreshed approach to supporting branches with discrepancy issues was introduced in 2013. Where NBSC is unable to resolve a caller's query/issue this caller is referred to the Branch Support Team who can provide more in depth telephone support to the branch. This team also assesses whether on-site additional support or further training is required and will organise if appropriate. The learning from the Mediation Scheme investigations is that the recording of the support given needs to be consistently documented. A revised approach will be introduced in Q1 15/16.

4. NBSC Improvements

- 4.1. The volume of calls from branches is now assessed by the Network Business Support Centre (NBSC) with the branches that have a higher than average call volume being proactively contacted by the Branch Support team to understand the reason for the high level of calls; establish what extra support can be offered and whether any changes need to be made to training etc.
- 4.2. A new approach has been developed to analyse the calls received by NBSC to identify the root cause of the issue; to identify the solution for the branch in the first instance and implement wider business changes if appropriate eg content of and method of delivering new product training.

5. Managing Postmaster Material Contract Breaches

- 5.1. The suspended termination approach was launched in April 2014 to deal with postmasters where mitigating circumstances are such that it is inappropriate to terminate the contract. The Postmaster remains in post on the condition that if a further material breach of contract occurs in an agreed period (set by the nature of the first breach and typically a year) then the contract termination may be triggered. Postmaster suspensions are running at 33 at period 10. 112 postmasters have been kept in post that would probably have been suspended pre policy change. A condition of remaining in post is that the postmaster makes good the audit deficient. This has resulted in £552k being made good by period 10 which pre approach change would have transferred to agent debt.

6. Horizon System Transaction Improvements

- 6.1. The transaction for customers paying by debit or credit card for bureau transactions was changed in Sept 2014. The transaction now includes an automatic re-print of the receipt which includes the card and identification details of the customer, which needs to be presented in case of fraudulent use of the card. Previously, the branch would have to remember to request a reprint and would be liable for the loss if they failed to provide it to Finance Service Centre. Postmasters were held liable for £65k in 13/14 (average per branch £2.5k). Since introduction no chargebacks to Postmasters have been made.
- 6.2. The end of day cheque remittance process has been reviewed and a new solution to drive out errors has been identified. This is scheduled for the next

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software release in May 2015 reducing calls into NBSC (650 per month) and the Transaction Corrections (c.570 pm periods 1-5 2014) issued by Finance Service Centre. Efficiencies in resource realised as a result are £86k pa

7. HORIce

7.1. The pilot has proved that HORIce is an effective and an efficient tool – and an improvement on anything we have had to date - for focusing on any one particular branch and extracting the information for a number of purposes including those below. Comprehensive list of benefits is at Appendix 1.

- investigating accounting anomalies whilst considering whether to precautionary suspend a postmaster.
- NBSC accessing branch data when assisting a branch with an accounting problem so that they establish exactly what the branch has done rather than relying on what they say they have done. This results in the branch being provided with the correct advice rather than advice based on the information from the branch.
- HORIce reports raising flags to support branches and identify branches for further checks by Grapevine team. This results in telephone calls being made to branch to establish whether there are any training needs. If fraud is expected an audit will be arranged.

7.2 We are currently working with Fujitsu to refine the outputs of HORIce so that it highlights anomalies in branch performance across the whole network with a view to moving to risk based audits only which is a more targeted and efficient model.

8. Recommendations

The Group Executive is asked to:

- 8.1. note the update on improvements as a result of Branch Support Programme.

Kevin Gilliland
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Confidential**Appendix 1****HORIce Benefits**

1	Reduction in Audit/Special Audits (Grapevine to supply numbers) as Contract Advisors and Grapevine team can monitor branches remotely and/or verify transaction balancing information
2	Contract Advisors able to verify information given at time of audit from HORIce to improve decision making if loss identified.
3	Improved quality of support to branches-Enables queries to be answered at first point of contact (NBSC) where previously some enquiries would have been escalated to other teams or for intervention. (Examples answered to date include alleged rogue stock unit being set up, ATM balancing verified, duplicate Horizon transaction entries and phantom cheque entries explained.
4	Visibility of data not previously available- For example internal stock unit transfer information, Cash declaration, Branch Trading Statement, Mails despatch, TC information now available.
5	6 months data available on most HORIce reports previously only 3 months data available in Credence.
6	Near real time transaction data available, (Credence data available next day).
7	HORIce reports are now raising flags to support branches and identify branches for further checks by Grapevine team. (In last week since new reports made available 5 branches allocated for audit, 17 offices telephoned and supported with training on cash declarations, 7 branches flagged to National Multiple Partners for support or action).
8	Coin safe saving - £1310 saving per office 4 requests already avoided. (Total saved £5240).
9	Assisted Rollovers for Horizon, avoided cost (£1500 per branch £16,500 to date).
10	FSC-Less Fujitsu support needed to investigate enquiries.
11	Reduction in time spent sending ARQ requests to Fujitsu.
12	Assists with Police/Security manager requests for info.
13	Ability to identify branch users onsite prior to contact. Branch Standards Team to track contact information for time saved on aborted calls. (For example -Regulatory Compliance chase up/Failed mystery shopper/Dangerous Goods scanning performance/Sales capability Branch Standards to supply numbers.
14	Ability to check automated bill payment enquiries. Customer Care Unit able to speed up customer enquiries and avoid the need to escalate certain enquiries to Finance Service Centre.