BA/POCL Automation Programme

Summary Progress Report for Month-End September 1995

1. Overview

1.1. There was increasing concern during September regarding schedule production and stage 3 timescales. Detailed planning of stage 3 showed that contract negotiation was likely to extend beyond the current forecast dates with the likelihood of knock-on effects to other stages of the Programme.

1.2. As planned, a 'checkstep' was initiated at the end of September. The aim was to check what had been achieved to date, to note current forecasts for remaining work, to determine the issues affecting performance /delivery and to investigate alternative courses of action to meet current timescales. The checkstep consisted of two separate reviews of the Programme. The first of these was a review of stage 3. The outcome was a proposal to improve the quality and timeliness of stage 3 work through the appointment of strand managers responsible for Demonstrator, Requirements, Contracts and Schedule production and to organise activities in such a way as to allow parallel progress wherever possible.

1.3. The second review is an independent assessment of the Programme to be carried out by PA Consulting Group during October. The draft terms of reference include validating the alignment of business context, objectives and achievable outcomes: identifying major issues; reviewing internal and external risks, status, plans and resources; and making recommendations for implementation.

1.4. The Programme plans attached at Appendix 1 continue to show the orignal timescales but will be revised as necessary on completion of the checkstep action.

2.   Progress

2.1. Commercial

2.1.1. Meetings have been taking place between BA and POCL Commercial to resolve and agree the way forward on key negotiation issues. Agreement has been reached to a working assumption that the automated benefit encashment service must be available whenever a post office is open for business, but this will be reviewed in the light of suppliers' prices for varying operating hours. It has also been agreed that, except for commercially sensitive schedules for POCL's other clients, all schedules will be seen by each sponsor organisation at this stage.

2.1.2. Draft requirements for accounting and settlement process have been agreed and were passed to the Programme on 28th September.

2.1.3. POCL Business Process Improvement has been commissioned to baseline the current portfolio of BA business at post offices and to measure and assess each suppliers proposed transactions and procedures.

2.1.4. A sponsor meeting has been set up in POCL to clarify the approvals process. The Programme will need to agree the process. Commercial teams are working toward taking the MoU to an agreed contract by January 1996.

2.1.5. There remain different views on contract structure despite ongoing meetings between the Programme and sponsor organisations.

2.2. Procurement/Demonstrator

2.2.1. There has been a high level of activity with suppliers during the month on various aspects of Stage 3. The suppliers have also been involved in presentations to BA and POCL staff.

2.2.2. All contract schedule storyboards have now been issued. However, as at 29th September, only 5 out of 60 draft version 1.0 BA/POCL schedules have been issued by BA/POCL against a plan to issue all by this time. In addition there are a further 37 to be

drafted by suppliers. Completion of this activity is now forecast for 3rd November. Although further iterations of demonstration plans have been received from suppliers, the delay in issuing and clarifying schedules for demonstration activity has meant that these are of limited value.

2.2.3. Draft clauses have been obtained from Programme lawyers and are being reviewed. Work on schedules is progressing despite the absence of agreement on contract structure (see para 2.1.5). However, work on clauses is in abeyance pending resolution of the contract structure issue. This, in turn, means that negotiations cannot commence which is becoming of increasing concern.

2.2.4. Twinning and secondment activities have now commenced.

2.2.5. PSC gave its broad support for the proposed methodology for final selection, subject to Procurement Board agreement to the detailed proposal.

2.2.6. Demonstrations with the potential Service Providers, which were delayed awaiting the completion of the schedules, are now being rescheduled. Work on devising criteria for evaluation of the demonstrations is ongoing, and a process for collecting positive reactions is being defined. However a process for feeding these back to potential Service Providers has yet to be agreed/defined.

2.2.7. Draft D of the Stage 4 Initiation Document which takes on board earlier comments was issued to the PMT in early September. The document will require further update prior to issue, and this is not expected to be done until after the stage 3 demonstration process has been clarified.

2.3. Card, Customer Interest and Implementation

2.3.1. During the month an additional 6 card issues were identified by the Card User and Fraud Working Group. At a meeting held on the 21st September a further 14 issues were resolved. All issues continue to be actively pursued. DSS Policy Changes are being progressed for submission. A Card Issues - Security

Sub-committee meeting was held on 29th September.

2.3.2. Service Description contract schedules allocated to CCIG for PAS and CMS are complete and have been issued. Contract schedules for the Operational Trial and implementation are being progressed but will require input from other schedule owners before they can be finalised. Sponsors have been identified for all of the BA Schedules. They will be expected to review and sign-off the content.

2.3.3. Demonstration activities have been planned and discussed with potential Service Providers at initial meetings. Further Demonstration meetings are planned with all potential Service Providers during October.

2.3.4. All potential Service Providers have had an initial meeting with CAPS representatives to discuss the technical integration and implementation requirements. Although the meetings were successful in exchanging preliminary information it is clear that more detailed meetings will be required to allow potential Service Providers to progress their integration plans.

2.3.5. The first draft of the Card Technical Specification was completed on the 15th September and has been issued to the three potential Service Providers.

2.3.6. CCTA have provided a set of evaluation criteria on Smart Card standards and security. This will provide input to the review of migration strategies during supplier demonstrations.

2.3.7. A draft End to End Implementation Key Activities List has been produced and will be discussed in detail at the next meeting of the Implementation Managers Working Group to be held 4th October. The document pulls together key dates from CAPS, POCL and BA/POCL Automation Programmes. An initial meeting has been held with NI SSA to discuss card requirements and implementation issues.

2.3.8. A plan for the Security Review has been issued. The membership of the security reviews have been confirmed but initial meetings have been delayed due to the unavailability of some individuals.

2.4. CAPS Programme

General

2.4.1. The CAPS Phase 1 Programme plan has been baselined and the high level activities are reflected in the BA/POCL high level plan.

2.4.2. 90% of the activities in the CAPS plan are now supported by product descriptions.

2.4.3. A decision on alternative payee support is required urgently, and this is being pursued.

2.4.4. Difficulties with staff recruitment continue to delay progress.

Customer Payments Computer System (CPCS)

2.4.5. All business functionality design is now complete with the exception of encashments. Recent decisions will allow this area to progress rapidly. The first delivery of the infrastructure products has been successfully integrated into the 'Payments Out' suite.

Child Benefit

2.4.6. Version 2 of the design specifications, including deductions, reconciliation procedures and accounting controls has been issued for review. The NINo verification exercise has been restarted following suspension while batch trace problems were sorted. This suspension has not impacted the target completion date.

Personal Details

2.4.7. Further reviews of the prototype have been held. String testing of the database retrieval modules has been completed. Staff shortages continue to be a problem.

Benefit and Field Liaison

2.4.8. A draft BFL Communications Strategy has been produced. The final version should be signed off by

the end of September. Liaison meetings are ongoing with each of the benefit groups.

Programme Accounting Branch

2.4.9. The evaluation shortlist has been agreed by the Procurement Board. The demonstration and site visit criteria have been issued for approval. Version 1 of the Accounting High Level Test Plan has been issued. The PAB business case has been submitted for approval at BASCIS on 5th October.

Programme Authority

2.4.10. Following receipt of comments, work is underway on the second draft of the CAPS Component Release Strategy. Architecture definitions and baselines have substantially been agreed with TS&I and DITA. An information pack has been issued to benefit system technical managers following the PDR presentation at Preston.

Programme Management Office

2.4.11. The Programme business case (separate from the PAB case) was presented to the Programme Steering Committee and has been submitted for initial approval at BASCIS on 5th October. An internal Risk Register has been prepared and circulated to Strand Managers. Programme Quality policy and initial procedures have been produced.

2.5. POCL Applications

POCL Business Facilitation

2.5.1. A process is being established that identifies different POCL managers for key areas of contract negotiation. The process will ensure that sign off of requirements within both the draft contracts and the change control process thereafter achieves the appropriate level of input and clearance from POCL.

2.5.2. Support is being provided to POCL Key Performance Indicator (KPI) owners for them to understand the outputs from the Programme and to consider any impact within their areas so that these can be taken into account in the planning process of the business.

2.5.3. The Programme is currently examining ways in which POCL can consider the partnership possibilities of each supplier. This will involve structured workshops with key POCL managers.

2.6. Counter Infrastructure

<u>Implementation</u>

General

2.6.1. Meetings have been held with all three service providers. As a result they will be undertaking scenario planning in advance of decisions on benefit take on and POCL's views on Roll out. Other areas touched upon were testing and limited go-live. The whole approach was to give service providers a better understanding of our needs and to learn from them what their areas of concern were.

2.6.2. The learning points from the ALPS programme are now being examined and an awayday is in planning to discuss these in relation to the current procurement. The same event will be used to "brainstorm" migration issues and their relation to implementation.

Helpdesk

2.6.3. Work on clarifying and quantifying the Helpdesk performance requirements relevant to C(OP)3/C(TMS)3 has been undertaken.

2.6.4. Following the initial examination of Service Provider proposals, issues are being identified which are being progressed through the appropriate channels.

Information

2.6.5. A potential gap in the Information Request process has been filled: the Procurement Team will now confirm when information obtained can be released to the Service Providers. The confidentiality agreements have been signed by the 3 Service Providers and on behalf of the Programme; a good deal of information was awaiting this step and has now been released to the Service Providers.

2.6.6. The analysis of the first week of ECCO+ backup disks (which will provide generic transaction peak-ratio information) has been provided to the Technical Services Team. Data gathering from ALPS offices will commence once the process has been finalised by the ALPS Team.

2.6.7. The POCL Network Database link for Terminal House should be completed by the end of October.

2.6.8. Some elements of the POCL Design Guide, submitted to Service Providers, are out of date and a schedule of these is in preparation for provision to the Supplier Liaison Managers when complete.

2.6.9. Information requests continue to be received and are being processed.

Performance Monitoring/Services

2.6.10. A meeting has been held with one of the service providers to discuss service management elements of the programme. Work has continued on draft schedules C(OP)10, C(TMS)10, D(APS)10, D(BES)10, D(EPOS)10, C(OP)7 and C(TMS)7.

POCL User Documentation

2.6.11. The proposals from the 3 Service Providers have been examined to ascertain their proposed solutions for user documentation.

2.6.12. A request to Procurement for a specific schedule for training and user documentation was turned down. Detailed requirements for user documentation were subsequently provided to Procurement and will be discussed during Procurement's analysis meeting of schedule C(OP)3. A decision will then be made on what is the most appropriate place in the schedules for this information.

2.6.13. Work has also continued on input to the other schedules where a reference to user documentation is required.

Training

2.6.14. A meeting has been held with one of the

service providers addressing initial queries about
POCL's current facilities and capabilities in the
training area. Other service providers are to be
visited shortly.

2.6.15. Demonstrator requirements have been
finalised.

2.6.16. Links back into POCL training departments are
being forged at the operational level.

Human Computer Interface (HCI)

2.6.17. All suppliers have been visited and a general
view of their HCI thinking discussed. Specialist
advice is being obtained on the minimum requirements
of the HCI and a method of evaluating the responses.

Testing Strategy

2.6.18. PA Consultants are advising the Programme on
testing strategy. One of the initial conclusions is
that a testing environment of some significant size
will need to be set up in addition to the "Oval".
The current test site there will be required for
testing of existing products well into the time for
testing the BA/POCL system. Discussions on the
preferred location are commencing with service
providers and sponsor organisations.

Migration/Integration

Schedules

2.6.19. The service description schedules for
Automated Payments and EPOS have completed peer group
review and are currently with Procurement for QA.
Work has commenced on the service levels and
acceptance criteria schedules.   Documents that
maintain related information in a controlled manner
have been established and are being compiled.

Migration/Integration

2.6.20. Work continues with the TIP project to ensure
their requirements are catered for in terms of data
capture.   A transition group within Client
Transaction Processing has been established and
initial meetings held.

2.6.21. Mapping of the end-to-end Benefit Encashment Service has concluded and a report on identified issues is awaited.

2.6.22. Work is progressing with POCL on devising a POCL wide Migration/Integration plan that will be driven by individual projects. A workshop to discuss forthcoming issues is planned for October.

2.7. Design Assurance

2.7.1. The Design Assurance team has been working on completing their input to the contract schedules, mapping out the relationships between the benefit payment related schedules (i.e. CMS, PAS, BES) and (from a design perspective) quality assuring all Stage 1 schedules prior to their issue to suppliers.

2.7.2. Design Assurance demonstrations have begun and, following initial meetings to discuss requirements, suppliers have been sent a number of papers and other design documents for review. Further DA demonstration meetings with suppliers have been planned. Additionally, supplier meetings have been held to deal with other issues such as rollout planning and approaches to Human Computer Interface.

2.7.3. A process is now in place for managing and impact analysing Design Assurance issues to run in conjunction with Programme change control procedures, and with the help of impact analysts from POCL.

2.7.4. Supplier proposals for both software and hardware changes have been received and are being addressed by the Programme.

2.8. Programme Support

Finance

2.8.1. A meeting has been held with POCL HO Finance to review budgetary position and assess likely requirements for year end provisions.

2.8.2. It has been agreed with POCL MICA team that the Programme will have its own link to POCL mainframe accounting system as from end of October. Training for new system is now ongoing.

2.8.3. Further work has been carried out on Finance Control Document. However due to resourcing issues within the finance team priority has been given to every day tasks; i.e. reporting and forecasting. The forecast completion date for the FCD is now end of October.

2.8.4. Interviews have been held and an appointment made for AO vacancy, the start date is currently being negotiated - hopefully by the end of October.

Business Case

2.8.5. Proposals for the way forward for the submission of various cases/documents were accepted by the PSC on 14th September. BA and POCL will produce separate business cases and meet different approval requirements.

2.8.6. A detailed activity plan has been produced identifying the work required to progress the final submission of the business cases to stakeholders and HM Treasury. Key work areas are business case updating of numbers and text, the preparation of papers for approval submissions, and clearance through the approvals route. Advance notice of the process has been issued to relevant parties.

2.8.7. A need for additional team resource has been identified and is being addressed.

BA Business Case

2.8.8. Four separate main documents are required to be produced. Papers are scheduled to be submitted to BASCIS on 16th November, BAMT on 27th November and HMT on 7th March 1996.

2.8.9. Analysis work has been undertaken to;
a) compare the CAPS numbers in their business case with those currently in our case,
b) produce a cost comparison of current and new costs of method of payment, and
c) produce sensitivities for the Programme Director to comment on benefit migration proposals.

2.8.10. Preliminary work has been carried out on contract schedules.

POCL Business Case

2.8.11. The draft POCL business case has been reviewed with external advisors. Their report was considered with POCL colleagues on 19th September and has raised a number of issues which are now being followed up. This includes a review of the baseline against which the automation case will be assessed (led by POCL with Programme participation) and examination of the costs of different levels of capability (led by Programme with POCL participation)

2.8.12. Work has continued on checking and improving components of the case. A review of common requirements for text that is not commercially sensitive has been started with colleagues in the BA Business Case Team with the objective of reducing unnecessary duplication.

2.8.13. An initial meeting has been held with the TIP business case manager and a process has been agreed to ensure that assumptions in the two cases are consistent and to identify any gaps and overlaps.

Cost Model

2.8.14. Suppliers' responses setting out their view of potential price reduction opportunities were analysed. The Supplier Cost Model was used to quantify the potential cost savings and findings on negotiation opportunities were presented to the Core Negotiating Team on 4 September.

2.8.15. Work has progressed on the Workload Brief for suppliers. Core information to give to suppliers and has been gathered from BA and POCL and a first draft of the Workload Brief will be produced by 2 October 1995. This has been delayed by 3 weeks owing to other work being assigned a higher priority.

2.8.16. Work has commenced with Stephen Woolley (Senior Automation Development Manager) on providing price assumptions for POCL Account Managers to use in developing their automation requirements and forecasts. This uses the Supplier Cost Model calibrated for suppliers' profit and risk transfer premium on the basis of indicative prices.

2.8.17. An investigation of supplier price structures has started using Charterhouse Bank as expert advisors. This will review possible structures and develop the option of setting a common structure for all suppliers, in order to achieve the best alignment with BA and POCL commercial requirements.

Planning and Risk

2.8.18. Detailed planning and monitoring of Stage 3 continued throughout September. The impact of the current schedule production, options for contract negotiation and resource implications have been analysed and reviewed with the Stage 3 Manager and Negotiators. Detailed plans of alternative stage 3 scenarios were produced and presented to the Programme Management Team on 9th October. A decision on the way forward is expected by 13th October.

2.8.19. The revised CAPS baselined plan has been received and has been incorporated into the high level Programme plan. A meeting has been arranged with Mike Cashman of the CAPS Programme Management Office on 6th October to discuss timescales and dependencies and confirm the process for ongoing liaison between the two Programmes

2.8.20. A plan of PSO group activities has been produced ready for review with Pat Dugdale on her return from annual leave. Key milestones will be included on the high level Programme plan.

2.8.21. During September, useful meetings were held with Deputy Directors or their Team Leaders to build up more detailed plans of their particular areas of the Programme. Some additional information has been incorporated into the high level plan but these have not yet been baselined. Meetings have also been held with the TIP Project Manager and the newly appointed TIP Project Planner. Close liaison with this project will be maintained by PPRAG.

2.8.22. Following a review of the organisation and set-up of PPRAG, it was agreed that the CAPS 'liaison' role (performed by Tony Hodgson) and 'Risk Co-ordinator / Assurance role (Paul Dudko) are no longer required and these two PPRAG members will not be retained on the Programme after the end of

September. This, with the recent transfer of a member of the planning staff to become a Supplier Liaison Officer, has resulted in the PPRAG headcount being reduced from 8 to 5.

2.8.23. Programme risk is covered under Section 3 of this Report.

Policy

2.8.24. Since the last report the team has provided the following numbers of answers to Parliamentary Questions, briefings, and correspondence;

	As at:-		
	Last Month	This Month	Total from 1/05
Parliamentary Questions	-	-	17
Submission - Secretary of State	-	2	3
Submission - POEC	-	-	1
Briefings for Secretary of State	-	-	6
Briefings for Chief Executive	2	1	4
Briefings for Committees/Meetings	3	1	7
Briefings for speeches	-	-	2
Briefing for BA Strategic Plan	-	-	1
Briefing for PSC	-	-	2
Briefing for Adjournment debate	-	-	1
Programme information for NAO	-	-	1
Correspondence with customer organisations	1	1	4
Correspondence with customers	2	2	5
Method of Payment update to BAMT	1	1	2
Parliamentary Correspondence	-	1	5
Correspondence with interested companies	4	1	5

2.8.25. In addition a presentation was given to US Treasury. The Policy team has also been assisting the Business Case team by undertaking a thorough redrafting of the BA Business Case. Significant work has also been undertaken on the BA/POCL Accountability agreement with BA Security, although the date by which a formal allocation of resources will be received is yet to be determined.

Quality

2.8.26. Work is continuing in relation to the Service Providers' quality plans and a Quality Assurance

programme is being developed for implementation,
initially in the Programme Support Office, looking at
the Finance, Business Case and Communications teams.

2.8.27. Following PMT study of the staff survey
results, focus groups were formed to identify
improvement opportunities. Ideas were collated and
presented to the PMT and a programme of tasks
allocated to firm up proposals, with a final
presentation to PMT planned for 9th October. It is
planned to present the outcome to staff at the
Programme awayday on 24th October, preparations for
which are well underway.

2.8.28. Work is underway on refining the Quality team
filing system, to be used as a guide for other teams
on completion.

2.8.29. The Card and Customer Issues group have been
using the facilitation services at their progress
meetings and are discussing with the team how they
might assist in the preparation of CCIG policy
manuals.

2.8.30. Following the recent PSO awayday the Quality
team has taken forward a series of focus groups to
consider Leadership, Teamworking and Image issues.

Communications

2.8.31. A programme of visits has been planned with
the Card and Customer Issues team to special interest
groups throughout the autumn.

2.8.32. The team has further developed the
relationship with the CAPS communications team and a
joint presentation is being developed about the CAPS
and BA/POCL programmes.

2.8.33. The team has organised, together with the
quality and facilities teams, two suppler briefings
for BA and POCL staff.

2.8.34. A display has been prepared for the
subpostmasters' exhibition in Manchester.

2.8.35. There has been much interest expressed in the
Programme following the inclusion of an article in
Touchbase, (a BA publication for special interest

groups).

2.8.36. The third edition of Team News was produced and issued to Programme members.

Facilities

2.8.37. During the month effort has been concentrated on health and safety measures; arranging for the fitting of window security locks (to be completed by 6th October); the promulgation of physical security instructions and procedures; and arranging health and safety training for the Facilities team.   In addition, PC Network training sessions for Programme staff have been held and instructions issued to teams.

2.9. Other Projects

ALPS

2.9.1. The installation/rollout schedule is now complete with the exception of a small number of offices which were deferred in agreement with BA because of imminent refurbishment or relocation. There are also a small number of offices (9) for which ICL await the release of equipment from test sites.

2.9.2. The latest version of the ESNS software is in use in the vast majority of offices, and should be installed in remaining offices by mid-October.

2.9.3.Polling performance is improving but remains short of expected levels.

2.9.4. Critical systems errors on the ECCO system are the main focus of activity and continue to have the biggest impact on the network.

2.9.5. The existing automated payment terminals (APT's) are being retained in AP offices until the new year to allow the ECCO faults to be resolved and to allow operator familiarisation with ALPS.

TIP

2.9.6. The Full Automation Feasibility report was completed to schedule on 18th September and issued to

Board members for review.

2.9.7. The main TIP Feasibility report is in the final stages of production, forecast for 2nd October. The Business case for the next stage of the project is forecast for 9th October. The case is due to be presented to the MaPEC (Major Projects Expenditure Committee) meeting in November.

2.9.8. The output from work on the Accounting and Settlement process mapping will be fed into the BES contract schedule.

3.   Programme Risk

   3.1.   Introduction

   3.1.1. This month eleven risks were agreed for upward
reporting by the Programme Management Board (PMB),
including two new risks:

   ● 'Disclosure of Service Provider information';

   ● 'Failure of sponsors to accommodate their
   respective commercial objectives'.

   3.1.2. In addition the PMB agreed to the removal of
one risk: 'The absence of a complete end-to-end view
of the proposed service'.

   3.2.   High severity risks

   3.2.1.The PMB noted that four risks are showing an
upward trend in probability of occurrence:

   ● risk 2 (a & b) '*Failure of sponsors to accommodate
   their respective commercial objectives*'.

   ● risk 3 '*Inability to complete stage 3 on time*'.

   ● risk 6 '*Absence of clear definitions of CAPS
   functional requirements*'.

   ● risk 7 '*Inadequate resourcing of key CAPS tasks*'.

   3.3.   Countermeasure assurance

   The PMB will continue to monitor the proposed
countermeasures against all the agreed risks to
ensure they are timeously actioned and that the
objectives of the BA/POCL Programme are not
compromised.

   3.4.   Annexes

   A full list of the agreed risks is presented at
Annex A for information.

Annex A Risk Table PSC September 1995

Failure to Communicate

Risk (1) Disclosure of Service Provider Information
Owner PSO Communication
Trend ⇔

Background:
Procurement have advised, following Programme lawyers advice, that all details of solutions proposed by Service Providers are commercial in confidence.
Any communication beyond the Programme constitutes a breach of commercial confidence.
Common solutions proposed by Service Providers are also to be regarded as commercial in confidence as the Service Providers themselves will be unaware of the commonality of the solutions proposed.

Impact:
An embargo on discussions of Service Providers proposals would undermine the communication programme and the CCIG consultation exercise.
The Programme will be unable to respond to media coverage with specific details of how Service Provider solutions impact, and mis-information will thus continue to undermine acceptability of the new system.

Countermeasure:

* A letter has been sent to the Service Providers asking them to provide text which they would be prepared to see made public in a variety of communication mechanisms. If the Service Providers response is negative, this will further exacerbate this risk.

* The PMB agreed on 11/9 that alternative subject matter should be considered to enable the first edition of Update to be issued.

* The Communications Team will benchmark against other procurements to determine best practices in this area and explore pragmatic solutions.

Comment:
Late resolution of this risk will impact both internal and external audiences, potentially leading to lack of acceptability of the system amongst managers, staff, Trade Unions, customers etc.
Pat Kelsey was actioned at the PMB on 9 October to pursue the issue to resolution with the Suppliers.
Trend will remain level pending Service Provider responses.

Failure to Communicate

Risk (2) Failure of sponsors (BA, POCL and SSA(NI)) to accommodate their respective commercial objectives in negotiations with a) each other and b) CONSCO.

Owner Programme Requirements Authority - Dave Miller and Tony Johnson

Trend ⇧

Background

Caused by sponsoring organisations having:

* differing objectives;
* lack of agreement on contract structure;
* absence of agreement on timetables;
* absence of determination of the charging structures required from Service Providers;
* an unclear negotiating process.

Also impacting is the issue of risk transfer/acceptance of liability. The Service Providers want to be paid by counter position, and currently they want volume guarantees from both sponsoring organisations.

Impact:

* Inability to co-ordinate overall Programme activities;
* incompatible contract read-across;
* lack of acceptance of risk / liability;
* absence of agreement on contract structure.

Countermeasure:

There is a need for ongoing communication and co-ordination of activities during Stage 3 of the BA/POCL Programme as requirement identification and contract development proceeds. This is particularly important as BA and POCL believe separate contracts, as envisaged in the MOU, is the appropriate way forward.

Further there is a need to agree, then synchronise, the timetables of the BA/POCL Programme; CAPS; BA Commercial; POCL Commercial and SSA(NI). Preliminary co-ordination of commercial activities took place in May and July. A draft plan identified issues which need to be addressed prior to contracts being signed. A fact finding meeting between the Commercial Teams took place in August to discuss accounting and settlement issues. A joint partnership requirement remains outstanding.

Countermeasure activities focus on six areas:

* continual evaluation of Service Providers proposals;
* early input on pricing discussions with Service Providers;
* BA and POCL being clear on their specifications;
* continual feedback from the BA/POCL Programme;
* regular interface between the commercial teams to ensure sponsors are aware of issues in both organisations;
* consistency of views being presented across the commercial teams.

Comment:

The PMB on 9 October agreed that Dave Miller and Tony Johnson 'should be the risk owners. Key to the successful achievement of sponsors objectives is the need to accommodate those objectives within a finite timeframe. The risk needs to be drawn to the attention of the Programme sponsors to ensure the actioning of timescales. Trend will remain upward pending implementation of countermeasures.

Programme Slippage

Ri (3) Inability to complete stage 3 on time
Owner Demonstrator - Mike Dolan
Trend ⇧

Background and Impact:

The risk has materialised and now compromises potential extended delay and impairment of quality.

Insufficiently informed managers combined with an overload of responsibilities on chosen strand managers leads to Programme slippage via a loss of overall Strand Management process control.

A number of schedules are incomplete, only a limited number have been issued and some of those require fundamental revision due to a lack of co-relation between the SSR and schedules.

Immediate impacts are inadequately thought-through contracts, incomplete identification of Service provider risks, delayed contract negotiation. The PSC has approved the contingency of December, although this *may* prove to be insufficient.

Schedule owners are overloaded with work. Quality is likely to suffer unless orderly planning takes place which gives realistic consideration of what work has yet to be done, and how quality may be preserved.

Countermeasure:

* an internal stage 3 review report is being considered by the Programme w/c 9 October and scheduled for implementation by 13 October;

* the independent review of the Programme by PA Consulting planned for October will examine the status, plans and resources of the Programme and make recommendations for implementation.

Comment:

In view of the materialisation of this risk, probability of occurrence continues to be upward pending the actioning of the countermeasures.

Programme Slippage

Risk (4) The failure to determine the Benefits card ready sequence.
Owner CAPS Programme Manager - Jane Rintoul
Trend ⇩

Background:
A formal Benefit roll-out sequence has yet to be agreed. Ministers are reported to be content with the working assumption that Child Benefit be taken forward as the first benefit to be paid by card, subject to a more detailed submission on plans and operational policy implications.

Impact:
Lack of a decision could result in i) individual benefits not being ready on time; ii) functionality being reduced to meet timescales; iii) delays in reaching agreement with potential PFI Service Providers; and iv) delays in achieving commercial agreement between BA and POCL.

Countermeasure:

* The CAPS Component Release Strategy (CRS) which proposes a sequence for card ready benefits was sent to interested parties for response by 29/9/95. Initial responses have been positive; however DITA have indicated that they are not prepared to formally review at present;

* Jane Rintoul has produced a paper for ministerial approval of the Benefits card-ready sequence. This was sent to BAMT and other stakeholders on 15/9 for review. The CAPS Programme believe they are on target for resolution mid-November. However, they consider that they still probably won't get approval for <u>all</u> benefits yet, but only the first few at present;

* The risk is also being countered through the ongoing dialogue conducted between CAPS and BA/POCL personnel which will enable the production of complimentary outputs from the two Programmes.

Comment:
The likelihood of risk materialisation continues to be downward as a result of the above measures, although severity remains high pending ministerial approval of RP or IS as the second benefit.

Programme Slippage

Risk (5) Unresolved CAPS Programme migration issues.
Owner CAPS Programme Manager - Jane Rintoul
Trend ⇩

Background:

A number of imminent CAPS Programme migration issues require resolution (e.g. scope, timing, and length of initial Child Benefit limited go-live, and similarly for subsequent Benefits; the scope of the Operational Trial and transitional issues associated with registration and payment of individual and multiple Benefits during implementation).

Impact:

Late resolution will have a direct effect on the preparedness of benefits for roll-out.

Countermeasure:

* A CAPS Issues Register has been established addressing cross-Programme issues and issues outside the scope of management by individual strands. All issues will be allocated to individuals within the Programme Authority to drive through resolution. Issues arising from the Component Release Strategy (CRS) have now been fed back to the Programme Authority and incorporated into the revised CRS. Outstanding issues from the CRS will be entered on the Issues Register. However, the Programme Authority recognises that all issues across the CAPS Programme are not yet contained in the Issues Register;

* The Programme Authority are reviewing the implications of having a Test Strand and an Implementation Strand:

i) placing all the testing resources under a single strand with a Test Strand Manager; ii) establishing an Implementation Strand; iii) Bob Hall, a member of the Programme Authority and the author of the Test Strategy, will become the Test Strand Manager; iv) a final version of the Test Strategy intended to link with the overall BA/POCL test strategy was due to be issued 29/9/95;

* A technical meeting on 7/9 and 8/9 involving the Programme Authority, Strand Representatives, DITA, and ITSA Technical reached a common understanding on technical issues;

* Three PPI Service Provider meetings were held w/c 11/9. These were productive in establishing an open dialogue regarding timescales and requirements. However the discussions were not in sufficient detail to resolve integration issues and if timeframes remain as at present detailed discussion on these issues will need to be commenced with all three Service Providers prior to Award of Contract, thereby potentially impacting on confidentiality issues;

The Programme Authority have taken on three consultants: two will focus on Implementation issues for Day 1 and post-Day 1; the other will institute a LIFT strategy - leaflets; information; forms; training.

Comment:

In view of the above countermeasures risk materialisation likelihood is considered to be continuously dropping.

Programme Slippage

Risk (6)Absence of clear definitions of CAPS functional requirements.
Owner CAPS Programme Manager - Jane Rintoul
Trend ⇧
Background:
CAPS business requirements may not all be fulfilled by the proposed Programme activity strands. Functionality for all strands is still to be fully defined and agreed. A paper on roles and responsibilities remains outstanding. To date the Personal Details strand have only focused on tactical as opposed to strategic solutions. This will result in a re-work of Personal Details activity post-Child Benefit implementation. Any extensions to the Programme timescales will only allow Personal Details to provide strategic functionality for Day 1; such extensions would enable other strands to provide additional non-essential functionality for Day 1. Despite baselining the plans, PIDs will not be issued because they require significant re-working due to not adequately reflecting the current position.
Impact:
i) mis-alignment of strand and Programme objectives ii) incomplete/impaired delivery iii) descoping of functionality (without significant re-work to carry out strategic aims).
Countermeasure:
• The Programme Authority have appointed a Business Manager to provide the strategic business view across all the CAPS Programme strands;
• A Child Benefit Strand Manager has been appointed thereby placing business and technical requirements under a single authority.
Comment:
Key issues which urgently need to be addressed are whether PIDs will be issued, and if so when. Pending clear resolution of what needs to be done within Personal Details risk likelihood now shows an upward trend.

Resourcing

Risk (7) Inadequate resourcing of key CAPS tasks
Owner CAPS Programme Manager - Jane Rintoul
Trend ⇧

Background:

As ongoing business requirements are identified and clarified resource demands continue to expand against the in-flow of only a limited number of new resources. Conflicting resource demands, particularly from JSA and Incap, exacerbate the problem.

* Resource requirements to handle the migration from the existing MOP strategy to the new MOP strategy has not been determined;

* There are unknown resourcing requirements for dealing with error handling;

* A letter from George McCorkell to the District Managers has been issued but produced few tangible results to date.

Impact:

The lack of sufficient user resource is currently impacting on completion of user requirements in the Personal Details and BA Field Liaison strands. Longer term effects will result in late delivery.

Countermeasure:

* A number of new staff have been recruited in Benefit Field Liaison; Personal Details; the CAPS Programme Management Office and the Programme Authority;

* Rob Langford is progressing resourcing requirements for error handling;

* Benefit Field Liaison have packaged some work to the Districts during the last month;

* A resource planning meeting took place on 18/9, but no fundamental change to the resourcing strategy was agreed;

* Within the embryonic Testing strand it is possible that resource shortages can be addressed in the short-term through the contractors market.

Comment:

The identification of additional resource requirements this month combined with the lack of response to the recruitment drive has raised the probability of this risk occurring.

Service Provider non-performance

Risk (8) Weak definition of Programme Service requirements
Owner Head of Procurement Process - Pat Kelsey
Trend ⇔

Background:

Programme Service requirements will ultimately be expressed within the contract schedules being developed. These must reflect at least the SSR as stated, and in many cases, provide a more detailed understanding of what is expected of the Service Provider.

Impact:

Weak contract; Service Provider-driven contract.

Countermeasure:

* Procurement facilitators have taken over drafting schedules to enable schedule owners to concentrate on the business requirements. Centralising the drafting process has produced greater consistency of style, presentation and positioning of information.

* The established procurement QA process has been supplemented by the Design Authority commitment to ensure technical consistency across the end to end process;

* The Stage 3 review on 2 October provided a check-step to enable the Programme to clarify the ongoing process and definition of Programme Service requirements.

Comment:

The follow-up to the Stage 3 review should enable Programme Service requirements to be further clarified. The SSR and draft schedules must be reconciled via one change control process which having been agreed must be acceptable and followed by all. It is essential that sponsors give a speedy response to changes. Risk likelihood remains level pending the effective implementation of the Stage 3 review.

Service Provider non-performance

Risk (9) Failure of Service Providers to develop a sufficiently good understanding of both existing POCL services to be migrated and required POCL system interface information

Owner POCL Infrastructure - Bob King

Trend ⇩

Background:

Each Service Provider currently lacks a sufficient understanding of present POCL systems to be migrated (or with which to interface), and overall detail on POCL counter infrastructure.

Impact:

Inability to progress Demonstrator development or Counter Negotiation strands satisfactorily and/or to schedule.

Countermeasure:

A number of countermeasures are at various stages of implementation:

* Each Service Provider has been 'twinned' with a POCL RNM 'cluster' with the aim of improving Service Provider knowledge and enabling a wide range of POCL 'front line' staff to contribute to requirements development;

* The issue of secondment has been resolved, and a POCL representative seconded to each Service Provider team for at least the Demonstrator stage;

* Presentations on POCL business strategy and generic transaction templates have been delivered to all Service Providers;

* A formal process has been established of nominated sponsors for each schedule area signing-off on behalf of POCL before contract negotiations commence;

* Bob King and Dave Miller will meet with POCL sponsors every other Friday to agree sign-off.

Comment:

Service Providers understanding can be tested at:

* the Partnership Discussions between CONSCO and POCL;

* the Showcase Demonstrator events

Above progress maintains a downward trend in risk likelihood.

User Reluctance

Risk (10) Potential costs and compromise of the POCL Customer Charter arising from extended counter queuing times

Owner POCL Business Facilitation -Nina Mooney

Trend ⇔

Background:

Transaction times for Card based benefit payments may exceed those which currently exist. This may not necessarily translate proportionately to a corresponding increase in Counter queuing time - models will need to be developed to study this.

Impact:

The length and cost of transaction times will have serious implications for the business case, especially in BA and potentially for other POCL clients. There are also implications for the POCL Customer Charter.

Countermeasure:

* A 'portfolio' of timings for all aspects of counter work under existing procedures has been developed in order to make Service Providers aware of what they are being assessed against. Areas covered span schedule headings (APS, BES [Benefit Encashment Service], EPOS, TMS). Tolerances will be highlighted;

* A modelling strategy has been agreed. Individual transaction times are to be evaluated and models of offices to be produced to cover total transaction times;

* Individual transaction times are to be evaluated by a POCL team;

* A second team has been organised to develop models for different office types, and will use these timings as input. Output from these models will feed into Demonstrator development;

* BA will be involved in the Demonstration of benefit payment transaction times.

Comment:

Risk trend remains level pending a suitable response from the Service Providers

Cost Overrun

Risk   (11) Failure of final BA and POCL business cases
Owner   PSO Business Case
Trend ⇔

Background:

Resulting from unsatisfactory Service Provider pricing information.
Initial Service Provider proposals, compromise both POCL and BA
business cases. In the case of BA for example, service costs exceed
anticipated administrative savings. Service Providers have been
notified of the unacceptability of initial terms.

Sponsors are concerned that only indicative pricings are currently
available from the Service Providers.

A key issue will be risk transfer/acceptance of liability. The Service
Providers want to charge by counter position, and are likely to want to
be provided with volume guarantees from both BA and POCL. Absence of
volume guarantees will impact Service Provider pricings, and they will
undoubtedly build in contingencies to their pricings if volume
guarantees are not provided.

The overall Public Sector case remains sound because of fraud savings.

Impact:

The risk spans both pre-contract business justification and post-
implementation realisation of business savings. Its ultimate impact is
that there is an absence of business rationale for the card

Countermeasure:

Investigation into revised and acceptable pricing structures is
currently underway. Recently received Service Provider responses all
include indications of how cost may be potentially reduced within their
respective solutions. Where possible, estimates of potential
savings/reductions have been prepared using established business
models, and a paper analysing the Service Provider responses has been
circulated to the CNT and reported to the PSC for information. The
Service Provider responses lack clear pricings, so it is not yet
possible to judge whether the Business Case has moved into a positive
state.

Comment:

Timing of impact: Final Service Provider selection. Risk likelihood is
considered level pending further information from the Service Providers
in negotiation.

BA/POCL Programme   Progress Report

4.   Key Dates in the Short Term

Activity	Owner	Last Report	This Report	Achieved	Comments
Lease signed	PSO Facilities	30/06/95		24/08/96	
PAB Shortlist Suppliers	CAPS	08/09/95		12/09/95	Shortlist agreed by the Procurement Board
ALPS roll-out complete	ALPS	23/09/95		25/09/95	
Finalise demonstrator plans	Procurement	31/08/95	n/k		Stage 3 timescales under review
POCL Commercial Plan signed-off	POCL Commercial	30/09/95	Oct 95		BA/POCL input required. BA Commercial agreement needed
Contract structure agreed	Commercial		Oct 95		Differences remain over contract structure. Discussions ongoing. Meeting on 5/10/95
CAPS Business case to BASCIS for initial approval	CAPS		05/10/95		
PAB Business case to BASCIS for approval	CAPS		05/10/95		
1st draft **BA business case**	PSO Business Case	31/07/95	9/10/95		**BA case** - Original milestone referred to joint business case. Confirmed this is not reqd.
Financial Control Doc issued	PSO Finance	25/09/95	24/10/95		Team resourcing problems leading to reprioritisation of work
Programme awayday	Programme		24/10/95		
Draft BA case to Programme Director	PSO Business Case	–	30/10/95		
First draft BA/POCL schedules	Procurement	25/09/95	03/11/95		