



Sparrow

Weekly Steering Group

19th August 2013



Agenda

1. Specific Agenda items
 1. Branch User Forum
2. Programme update:
 2. Work streams highlights
 3. Budget (no updates for this meeting)
 4. Risks and Issues
 5. Actions
3. Next Meeting will be on Tuesday 3rd at 4pm.

Decisions for this meeting

1. Agree Branch User forum TOR



Work stream updates

Work stream	Update	Status
Complete Cases	<ul style="list-style-type: none"> Mediation Pack agreed by Working Group The Working Group have agreed to extend the submission date to 18th November as the date for launch has been pushed back, so that SPMRs have enough time to submit their applications. The pack will be distributed to via JFSA, Shoosmiths, JA MPs, BIS MPs and those sent directly to the Post Office. Finding and agreeing a panel of independent advisors continues so that we can provide a mix of legal and accounting support for SPMRs with good geographical coverage. Planning for the 5th Sept training day for independent advisors and mediators is progressing. 	Green
Adjudication of future cases	<ul style="list-style-type: none"> Planning meeting with Brian Altman QC. The QC will provide an initial steer on the process for existing cases. This session will be the first step in helping us define a process for future cases. Current plan will be reviewed following QC steer. We are urgently working with our external firms to identify an independent expert to provide evidence on the Horizon system. 	Amber
Branch User forum		Green



Work stream updates

Work stream	Update	Status
Legal	See slide	?
Improvements & Culture change	See slide	Green
Communications	See slide	Green
Technology	See slide	Green



Legal Update – Case Review

Statistics as at 14/8/2013	Initial Sifts	Fully Reviewed	Disclosure recommended	Discontinued	Comments
To date	155	27	9	4	The cases of J Patel, Brown, Wylie and Knight have been terminated. Samra has yet to be terminated.
Remaining	70	16			It is estimated that there are approximately 70 sift reviews left. This includes 37 RMG files from archive, yet to be received and in the region of 15 files from Northern Ireland. It is not yet clear how many cases will be cases will be received from Scotland



Active cases

Currently there are no active cases



Communications update

27th August 2013 (Mediation Announcement Day)

- Press release issued at 10am
- MPs –
 - All MPs that raised a case (via POL or BIS) were emailed and called. They were provided with the mediation pack and letter for SPMRs as well as being offered a meeting with POL
- Internal Communications
 - Memoview announcing mediation process issued at 8.00am
 - Email to SLT
 - Email to all managers (Focus Online Special)
 - News item on Subspaceonline
 - Brief and Q&As to NBSC/POEX
 - Details in next issue of Branch Focus

Feedback

- MPs - offices were happy with approach, no meetings requested as of yet.
- Press – limited pick up so far broadcast coverage on BBC South and BBC Wales. All coverage includes key messages.
- Internal – no feedback as of yet.



Technology Change

- 5 Changes identified at this stage

Change	Improvement
1. Branch Ordering of Stock Enhancement	Improve navigation process and reduce time spent by the branch when ordering stock.
2. Certificate of Posting for multiple items	Reduced transaction time and printing costs
3. Postcode look up	Improved functionality
4. Passport Duplicates	Speeds up the process
5. Remittance Out button	Adding this to the end of day process to streamline activities.

- Workshops planned for next week to review Fujitsu analysis and options for delivery.
- Angela to sign-off on improvements.



Changes to the plan

- No milestone changes since last steering meeting.
- Final version of Mediation will be completed on Weds.
- TOR for Working Party will be completed this week.



Appendices

- High level milestones – slides xx to xx
- Budget – slides xx to xx
 - Overview
 - Planned
 - Actual (last updated 15th Aug)
- Risk and Issues – slides xx to xx

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									
		▲ 15/08 Working Party sign off ways of working, mediation pack and comms		19/08 New ways of working fully implemented						
			▲ 22/08 Mediator(s) appointed							
				▲ 24/08 TOR for Monthly Oversight Board agreed						
					▲ 30/10 complete first case					
						▲ 18/11 All applications submitted				
Monthly Working Group Boards	▲		▲	▲	▲	▲	▲	▲	▲	▲
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 stakeholders								
			▲ 06/09 complete engagement with stakeholders,							
				▲ 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/amended since last version in red.

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Legal - High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Legal Susan Crichton Hugh Flemington Rodric Williams BD Support										

Timeline for Legal Work Stream:

- 05/07 Tactical ways of working implemented, all cases reviewed individually
- 26/07 Agree Response to Criminal cases review commission
- 01/08 Define route for prosecuted cases post disclosure
- 17/07 Initial Sift of cases completed and disclosure provided to defence, up to January 2010 by CK (cartwrightking)
- 30/08 CK review of cases complete
- 28/08 prepare paper on pros and cons of continuing to bring prosecutions
- 19/09 Present paper to ARC
- 30/07 Appoint QC to advise POL on strategy and process for reviewing past/current criminal prosecutions given the findings of the Second Sight interim report dated
- 02/08 Initial findings from QC shared with Post Office
- 09/08 Initial findings from QC discussed with CK
- 30/08 TOR for full QC report agreed
- 30/09 Full QC report complete
- Monthly Reporting to Programme Board

Notes:

Tasks added since last version in red.

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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



Improvements - High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
All Streams										

- ▲ 24/07 Agree Terms of Reference with Sponsor (Angela)
- ▲ 06/08 Agree approach to mapping as-is process, scope, and how it will be documented
- ▲ 08/08 Agree Terms of Reference with steering group
- ▲ 09/08 Identify resource from each area to support the mapping of the "as-is"
- ▲ 09/08 Identify process for capturing quick wins
- ▲ 30/08 Start to identify quick wins (from the mapping exercise)
- ▲ 05/09 Agree which quick wins should be implemented with Programme Board
- ▲ 06/09 Begin implementing quick wins
- ▲ 30/09 Complete "as-is" subpostmaster journey/experience with POL
- ▲ 30/09 Complete "as-is" Crown colleague r journey/experience with POL
- ▲ 30/09 Complete "as-is" multiple partner r journey/experience with POL
- ▲ 05/10 All "Quick Wins" Implemented
- ▲ 20/10 Complete "to-be" subpostmaster journey/experience with POL
- ▲ 20/10 Complete " to-be " Crown colleague r journey/experience with POL
- ▲ 20/10 Complete " to-be " multiple partner r journey/experience with POL
- ▲ 15/11 Funding for proposal approved
- ▲ 17/11 Commence implementation projects
- 15/4 implement mechanism to ensure all processes are regularly reviewed and continue to be fit for purpose

Culture Change

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

Notes:

Tasks added since last version in red.

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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

△ JA, JFSA, POL and SS to communicate process to MPs and SPMRs

Proactive launch Mediation process (press release)

As cases are mediated press and public affairs team to be updated (for proactive management)

01/09 Post Office start engagement with MPs – individually explaining mediation process

01/10 Start taking MPs through their actual cases

31/10 Joint MP update meeting (follow on from JA meeting)

Date TBC ▲ Engagement with MPs for 25 investigation cases complete

Notes:

Unclear if JA has communicated the process to MPs

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Technology improvements- High level Plan

Notes:

Draft status.

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15

► On Track

▲ Achiever Milestone

▲ Original Date (not achieved)

△ Delayed (no impact)

▲ At Risk/ Delayed
(potential impact)

▲ Issue / Delayed
(material impact)

Names of critical resources

Dependency

Actions from previous meetings

Actions from meeting 24/07/2013				
6	Define process for subpostmasters to appeal outside the line	Susan/ Angela	23-Aug	open
Actions from meeting 01/08/2013				
3	Contents of Horizon changes to be shared with this group once agreed with the business units	Andy	30-Aug	in progress
Actions from meeting 08/08/2013				
1	Chris to talk to Sarah Hall about the treatment of costs	Chris	on going	in progress
Actions from meeting 15/08/2013				
1	All members to forward comments on the Working Party TOR to Susan by next Tuesday	All	20-Aug	new
2	Mark to draft a communication that will go to interested media before the launch	Mark	20-Aug	new
3	Andy to talk to Charles Colquhoun to determine our net risk position regarding compensation and update the budget forecast accordingly	Andy	29-Aug	new

Budget - Summary

Budgeting assumptions/notes

1. Does not include cost for Post Office employees, unless backfill is required
2. Does not include any compensation costs, which is a potential outcome of mediation
3. Mediation costs are sensitive to the number of cases. Budgeting assumption is 75 cases.
4. Does not include the £310k spent from April 2012-July 2013 (incl VAT)
5. VAT costs are at 20%
6. All actuals include VAT
7. Does not include the cost of implementing the recommendations of the improvements projects

Programme Forecast August 2013 - March 2014

Item	£k	incl VAT	Comments
Complete Cases (using Mediation)	962	1154	Costs associated with completing the cases. Assumption = 75 cases
Legal and Governance	334	401	Legal costs not specific to mediation, & governance costs (eg working party)
Improvement project	42	50	Cost for quick wins and gap analysis
Technology	50	60	Funding anticipated beyond the £100k Fujitsu funded costs
Total	1388	1665	

Total Project costs April 2012 - March 2014 (incl VAT)

2012/13 April-March Actual	184
2013/14 April - July Actual	126
2013/14 Aug-March Forecast	1,665
Total	1,976



Budget – Costs to Date (last FY and this FY to 1st August)

2012/13 Invoices received

2nd Sight			Millnet			Kay Linnell			Total
Total	163.98		Total	14.00		Total	6		183.98
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	July	874	1.2	
oct	69	6.00							
Nov	72	17.40							
Dec	73	25.00							
Jan	74	26.88							
feb	75	25.90							
mar	76	25.80							

2013/14 Invoiced to 1st August 2013

2nd Sight			Millnet			Kay Linnell			Total
Total	119.59		Total	3.10		Total	3.6		126.29
Month	Invoice	amount	Month	Invoice	amount	Month	Invoice	amount	
April	77	25.39	July	13000/900772	3.1	April	842	2.4	
May	78	26.35				July	874	1.2	
June	80	24.97							
July	81	42.88							

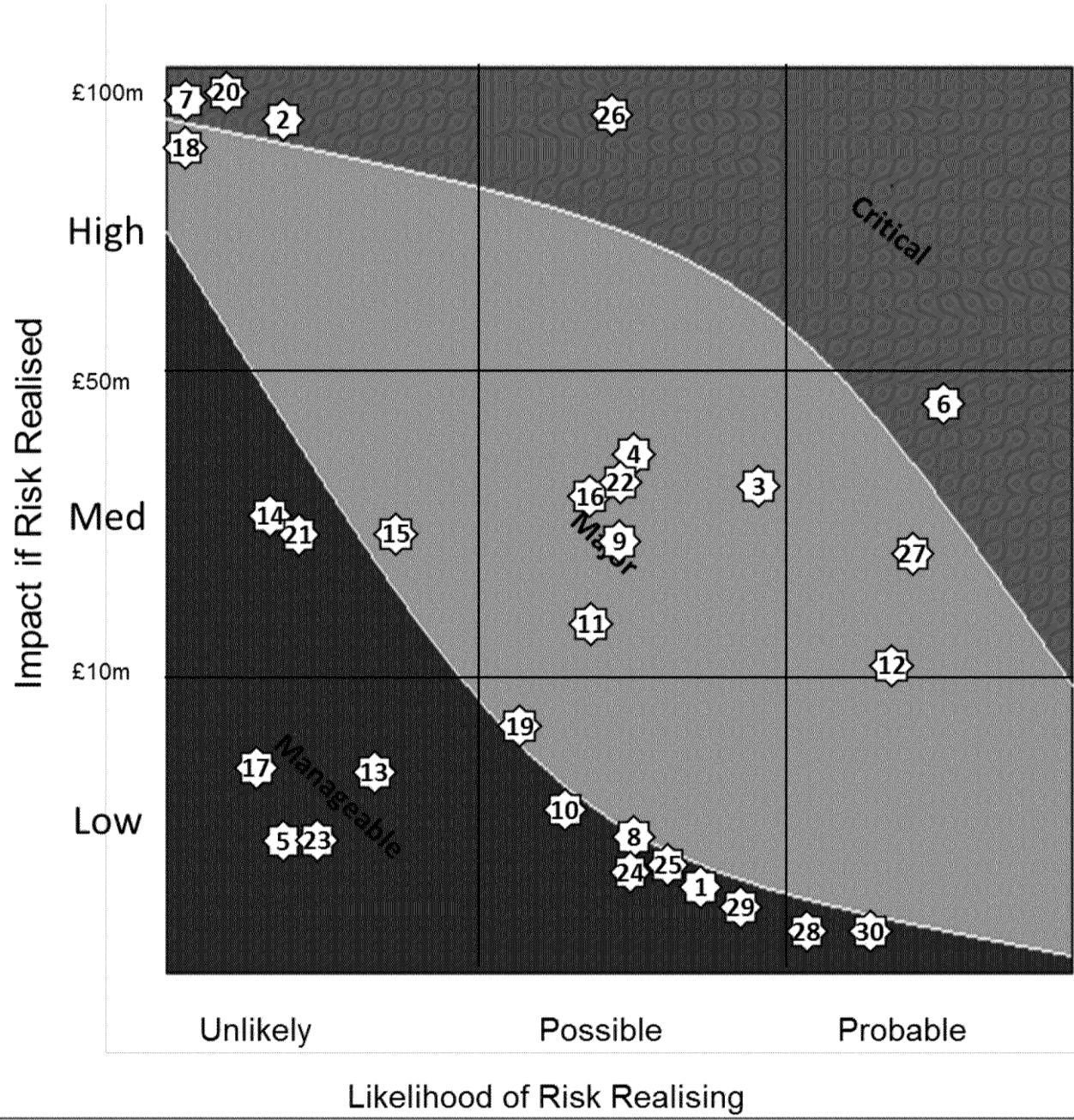


Budget – Forecast (Aug 2013 – March 2014)

Item	£k	£k total inc VAT net VAT @ 20%	comment	Board low	Board high
Complete Cases (using Mediation)					
Second Sight	125		Assumed number of cases: 75 Second Sight at 25k per month (Aug-December)	100	150
Back fill for internal resources & external assistance	90		15k per month, 6 months		
Mediator(s)	225		Assumed 3k per case - will use a national company		
Mediator Expenses	50		travel, meeting rooms, training etc		
Legal support case preparation - BD	56		£750 per case assume all cases		
Legal support - case advice	28		£400 per case. assume all cases. £400 is their estimate for simple cases, but if we assume some will drop out this should average out.		
Legal support - mediation meeting	150		£2k per case - assume all cases - could recruit internal staff to reduce costs?		
Independent advisor for Subpostmasters	238		Per case: £1.5k case prep + £1k mediation meeting. Plus £50k contingency for more complex cases	350	550
Total: Complete Cases (using Mediation)	962	1154		450	700
Legal and Governance					
General External Legal Advice - BD	120		Advice on: preparing and agreeing mediation process and packs of information for SPMRs. Engaging and briefing mediators, attending working group meetings (ie. advising on rejecting cases; revising mediation process). Advising on Fujitsu related matters. £15K per month		
Case Review - CK	175		Includes QC, Bond Dickinson and Cartwright King	100	300
Kay Linnell/ Alan Bates	14		£2k per month (up to)		
Independent Chair	25			0	10
Total Legal and Governance	334	401		100	310
Improvement project					
Back Fill for Gayle Peacock and Ann Allaker	42		Back fill for 5 people to conduct the gap analysis across the business groups	200	200
Contact Centre	0		assumed this can be done with current resources	40	40
FSC	0		assumed this can be done with current resources	100	100
Total: Improvement project	42	50		340	340
Technology					
Horizon improvements	50		Funding needed beyond the £100k Fujitsu funded costs	0	0
Total: Technology	50	60		0	0
Total	1388	1665		890	1350



Risk map



Risks

Risk description	
2	Risk that subsequent cases could question the validity and reliability of computer system/processes
6	Making decisions outside of policy
7	Risk that image with BIS is impacted, affecting future funding
20	Risk that potential franchisees lack confidence in system and are reluctant to engage in CTP
26	Risk of media 'bandwagon'

Risk description	
3	The mediation process is independent and may make decisions with which we are uncomfortable
4	Risk that resolution not achievable because stakeholder interests in conflict with POL objectives
9	Risk the relationship with Fujitsu is damaged
11	Risk of compensation claims or re-opening of old cases
12	Risk of dissatisfied stakeholders even at the end of process
15	Key person reliance
16	Risk of increased fraud/theft
18	Risk that engagement for NTP is lower
19	Risk that general engagement of employees is damaged and results in people leaving
22	Risk that ancillary systems & processes have related or similar issues as yet unquantified
27	Risk of increased bad debt/write-off

Risk description	
1	Risk that there are more cases in the pipeline
5	Risk that the integrity of the brand is damaged and clients/customer trust damaged
8	Risk that we are not co-ordinated in our response to subpostmasters etc
10	Loss of confidence with existing/future clients
13	Adverse impact to the relationship with NFSP
14	Risk that MPs may call for further action e.g. public inquiry
17	Risk that court can overturn previous cases
21	Risk that POL can't afford to complete this process (conflict with cost savings agenda)
23	Risk that customers question transaction made in branch
24	Lack of confidence in SPMRs that POL commitment to sort out issues
25	Risk that problems are exaggerated before researching them
28	Risk that SPMRs with unexplained losses will refuse to provide service until investigation complete
29	Risk of pressure on network support teams
30	Risk that weaknesses in "as is" processes leads to increased pressure/cost on network



Risks

An initial risk workshop was run on the 15th August. At the workshop we identified the key risks, their likelihood and potential impact.

The next workshop will document how we monitor and mitigate these risks. Key risks will be tracked and presented at the weekly steering board.

Below are the risks highlighted in the board paper 26th July 2013:

- the reputational and brand risks that could emerge if we don't handle the overall resolution process carefully;
- the risk to NTP if concerns around how we treat sub-postmasters leads to lower take-up of the new models;
- the opportunity cost arising from the significant amount of senior management time that will be taken up in handling this process;
- the potential destabilising impact on the NFSP, who are feeling exposed to the whole issue because of accusations from some sup-postmasters that they failed to represent their interests; and
- the process re-engineering that may be required for our IT, training and support systems will add further complexity and risk to the existing transformation programme.



Key milestones

Milestone due for completion since the last meeting

Milestone	Who	Due
Initial draft of Mediation pack (and two subsequent update versions) -- Complete	Susan	08/08
Working party agrees mediation pack – NOT Complete - this is taking longer than expected due to the iterative nature of the feedback from all parties. Now expected to complete 21/08	Working Party	08/08 Now 21/08

Key upcoming milestones

Milestone	Who	Due
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