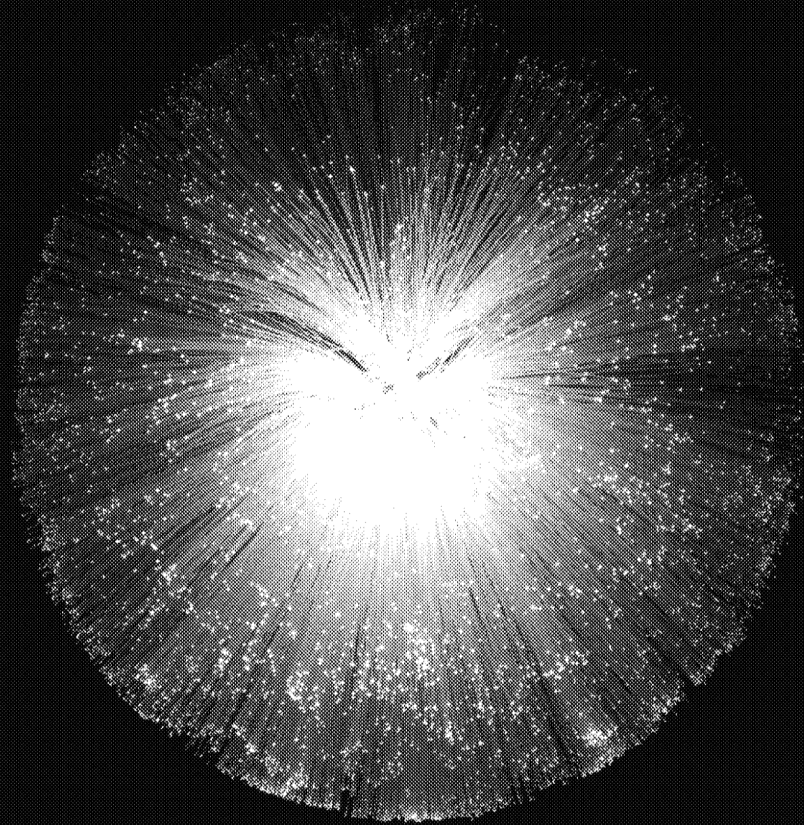


**Deloitte.**



**Postmaster Journeys**  
**Post Office Limited**

Final Report - March 2021

#### **Important Notice**

This document ("Report") has been prepared by Deloitte LLP ("Deloitte" or "we") for Post Office Limited ("POL") in accordance with our engagement letter dated 4 January 2021. The report is produced solely for the use of Post Office Limited for the purpose set out in the Engagement letter. Its contents should not be quoted or referred to in whole or in part without our prior written consent except as required by law. Deloitte LLP will accept no duty or responsibility to any third party, as the report has not been prepared, and is not intended for any other purpose.

The Report has been prepared on the basis of the limitations set out in the engagement letter and on page 13 and 92. The scope of our services and any deliverables will be limited solely to the Services set out in this engagement letter. We will make no representations in respect of and will not consider any other aspect of your operations.

# Contents

	Page
<b>Executive Summary</b>	
1.1 Executive Summary	6
1.2 Background, Scope and Approach	12
1.3 Summary of Urgent-Priority Findings	14
1.4 Summary of High-Priority Findings	15
<b>Key Themes</b>	
2.1 Summary of Thematic Findings	18
2.2 Governance	19
2.3 POL Culture and Staff support	20
2.4 Data and Management Information	21
2.5 POL and PM Communications	22
2.6 Systems and Technology	23
2.7 Cash and Products	24
2.8 PM obligations and disputes	25
2.9 Roles and responsibilities and Organisational Design	26
2.10 Proactive support to PMs	27
<b>Roadmap</b>	
3.1 Prioritised Roadmap	29
Detailed Findings	
4.1 Detailed Findings - Overview	36
<b>Governance</b>	
5.1 Overview	38
5.2 Improvements Identified	40



## Contents (continued)

Contents	Page
<b>On-Boarding and Early Days</b>	
6.1 Overview	48
6.2 Improvements Identified	51
6.3 Improvements Noted	58
<b>Business As Usual (Continuous Activities)</b>	
7.1 Overview	61
7.2 Improvements Identified	62
7.3 Improvements Noted	74
<b>Business As Usual (Issue Resolution)</b>	
8.1 Overview	77
8.2 Improvements Identified	79
8.3 Improvements Noted	84
<b>Off-Boarding</b>	
9.1 Overview	87
9.2 Improvements Identified	88
9.3 Improvements Noted	91



## Contents (continued)

Contents	Page
<b>Appendices</b>	
Appendix A – Terms of Reference	93
Appendix B – Prioritisation Ratings	94
Appendix C – Summary of Meetings Held with POL Leadership	95
Appendix D – List of Stakeholders Engaged	96
Appendix E – Table of Abbreviations	98
Appendix F – Data and Management Information	99
Appendix G – Systems landscape	100

# 1.1 Executive Summary

## Introduction

In January 2021, Deloitte was commissioned to undertake a piece of work for Post Office Limited (POL) looking at the extent to which the organisation has moved towards its stated aim of ‘putting Postmasters (PMs) at the heart of the business’. Postmasters operate their businesses through a variety of different business structures. Therefore, a reference to a Postmaster or PM in this report could, depending on the circumstances, mean an individual, a limited company or a partnership. In the case of a limited company or partnership, the recommendations in this report will typically apply to the partner/director or employee with main responsibility for running the branch, and, in the case of individuals who do not work in their branch regularly, many of the recommendations in this report apply as much to a branch manager or officer in charge of operating the branch on their behalf as to the individual who has entered into a contract with Post Office.

This work builds on findings and improvements made by POL as a result of both the Common Issues Judgement (CIJ) and Horizon Issues Judgement (HIJ), as well as looking at wider improvements that have been (or should be) made to mitigate the risk of PM detriment. This work looks at cross cutting organisational themes such as culture, systems and management information in the governance section (see pages 38-47) as well as specific potential improvements across each element of the PM journey from on-boarding to off-boarding (see pages 48-91).

The work was completed between January and March 2021 with this report summarising both improvements made over the last 12-18 months as well as making recommendations around areas for further focus and investment going forward - setting out the position and progress on findings at the beginning of March 2021. Each finding is classified as urgent, high, medium or low-priority based on the potential PM detriment (see table on page 8 for definition). These findings were based on evidence obtained from across the business and through a series of interviews and conversations with key stakeholders. This work did not include detailed systems assessment, testing or verification of the timing of improvements made, planned and in progress, nor did it include direct contact with PMs (see section 1.2 for full details of scope, approach and limitations and Appendix D those spoken to as part of this process). All findings and recommendations have been discussed and verified with business owners.

For each finding the report makes associated recommendation(s) setting out proposed activity to address the finding, as well as specifying named responsible and accountable individuals. The recommendations are structured into an overall roadmap of activity (see section 3). This roadmap has been developed to prioritise urgent and high-risk areas of activity around preventing PM detriment. This work did not take into account cost or resourcing implications and POL will need to consider these further in finalising implementation plans.

## Context to the work

Post Offices are a key part of the UK high street and supporting PMs to succeed and thrive is key to the long-term success of the organisation. However, over many years, layers of culture and working practices across POL have built up that have considered PMs (in part) predominantly as a means to securing network coverage, with the organisation focussed on moving towards a more commercial footing rather than consistently prioritising support to (and interactions with) PMs. Related to this, there has also been a lack of significant or ongoing investment in information technology or wider processes to support PMs, meaning that the working practices in branches are outdated and not consistent with elements of good practice that would be expected across comparable sectors.

Over the past two years there has been positive change in the way that POL looks to support PMs. A good example of this is the introduction of area managers (AMs) around two years ago - a move almost universally recognised by PMs as a huge step forward in terms of the support they receive. On the receipt of the CIJ, Post Office undertook a significant programme of work led by the Operations Director to implement improvements to both comply with the judgement but also to make things easier for branches. Further improvements have also come about since the launch of the new Purpose statement, and ongoing organisation changes, including senior management organisation re-design rolled out from September to November 2020. These positive changes have helped to simplify and improve POL interactions with PMs and to start to change culture and ways of working. The HIJ and CIJ have also acted as catalysts for change making a number of specific recommendations that the business has been taking forward. The linkage and relationship between this piece of work on ‘PM Journeys’ and these wider activities is shown in Figure 1 on the following slide.

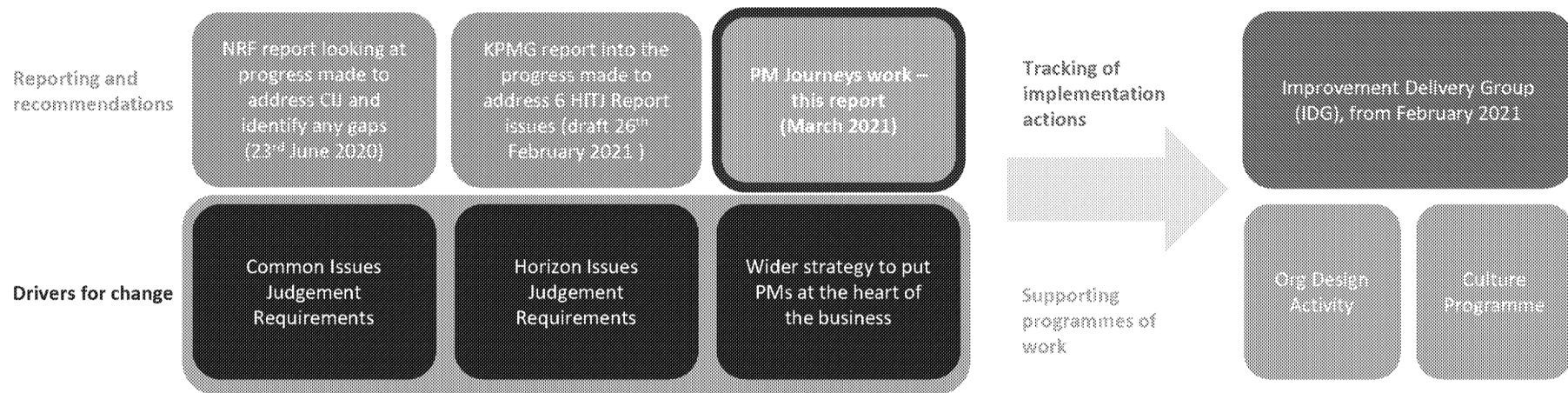
# 1.1 Executive Summary

## Scope

This PM Journey work looks wider than the specific recommendations from the CIJ to call out a range of potential further improvements that have been, and could, be made across the PM journey to support the strategy of 'Putting PMs at the heart of the business'. This is aligned with ongoing improvements, including work taking place as part of the wider organisational redesign activity and through the culture change programme.

Following the HIJ and CIJ a number of operational and wider improvements have taken place across the organisation. Work completed by Norton Rose Fullbright (NRF) has looked at the operational progress in meeting specific requirements from the CIJ and remaining gaps, with Internal Audit tracking progress against closing any NFR found when reviewing the operational improvements made. Similarly, KPMG has undertaken work to look at progress in addressing HIJ requirements, and there have been ongoing improvements on some of the specific technical Horizon issues raised in the HIJ. This report does not repeat specific findings from these activities but does note the work being progressed and the tracking of progress that is now taking place through the Improvement Delivery Group (IDG).

Figure 1: How PM Journey fits in with wider work across the network



In addition to these areas, business owners have been undertaking reviews as part of business as usual and have changed and improved ways of working. The creation of the Historical Matters Unit (HMU) has also added focus and momentum to activity to address historic issues (not covered by the scope of this Project).

This work has been taking place over the last 12 months against a backdrop of a global pandemic, with the organisation adapting to new ways of working and supporting the safety and wellbeing of PMs and POL employees whilst maintaining, and in many cases enhancing, PMs' ability to improve the support and offerings provided to customers.



# 1.1 Executive Summary (continued)

## Overall Findings

We have called out 44 areas where we have noted improvements that have been made over the last 12-18 months. These improvements span right across the business and include improved onboarding processes (e.g., improvements to initial assessment and training processes) guidance and support for PMs (e.g., through the PM support guide, and improved branch support tools) and communication (e.g., improved call centre scripts and wider PM communications) introduced over the last 12 months. There is evidence of increased focus and momentum across the organisation to deliver improvements and 'Put PMs at the Heart of the Business' with many of the findings and recommendations set out in this report being addressed through activity that has started and been prioritised over the last three to six months. Examples of positive changes implemented over the two-month period that this work has been underway include setting up the new 'Voice of the PM' Forum, changes and further improvements to direct communications with PMs and the progress being made as part of the culture change programme to instigate activity such as pairing of senior leaders with PO branches to facilitate understanding and knowledge sharing.

There remain significant opportunities for further improvements in POL interactions with PMs. Some of the findings raised as part of the HIJ and CIJ, (e.g. transaction disputes and the defining and communicating of an appeals process for PMs who have a dispute with) have not yet been fully addressed (though we note action is in progress), and several wider areas identified as having potential to go further to make a real difference to PMs are not yet in place. The cultural shift needed to support a focus on the PM is key to this and has not yet been fully communicated or embedded across the organisation










Specifically, we raise 6 urgent-priority, 13 high-priority and 26 medium-priority findings, with Figure 2 below showing how these are spread across different elements of the PM Journey. The urgent and high-priority findings are summarised in Figure 3 alongside an indication of progress made to date in addressing these.

Figure 2: Table of findings and improvements identified, by rating and work stream

Rating	Rating Description	Number of findings identified by work stream					
		Governance	On-Boarding & Early Days	BAU: Continuous Activities	BAU: Issue Resolution	Off-Boarding	Total
Urgent-Priority	Urgent priority, must fix issues – <b>non-compliance with the outcomes of the CIJ ruling</b> and / or where there is a <b>detrimental impact</b> on PMs, where <b>detrimental</b> means any form of PM harm –including where that there is a significant contractual issue and, a negative financial impact and/or an impact on PMs from a relationship or wellbeing perspective.	0	0	2	3	1	6
High-Priority	There is a risk of <b>potential detriment</b> to Postmasters, or a <b>significant reputational risk</b> to POL.	5	0	4	3	1	13
Medium-Priority	This change would <b>significantly improve</b> the Postmaster experience.	2	6	12	2	4	26
Low-Priority	It would be <b>beneficial</b> to make this change to improve the Postmaster experience.	0	6	4	3	0	13
<b>Total</b>		<b>7</b>	<b>12</b>	<b>22</b>	<b>11</b>	<b>6</b>	<b>58</b>
Improvements Implemented	Improvements noted as part of this work that have been made in the last 12-18 months.	-	13	21	9	1	44

## 1.1 Executive Summary (continued)

Overall, the majority of findings (particularly those rated as urgent or high-priority) raised in this report can be grouped into nine thematic areas, which are summarised below and set out in detail in **Section 5** of this report. These align closely with the areas flagged in the recent PM consultation survey as priorities for improvement.

	<b>Governance</b>	There are currently limited mechanisms in place to review POL performance in providing services to PMs, nor a single overarching governance forum to help oversee and drive required PM related decisions and actions through to completion. The Voice of the Postmaster Forum recently created is a step forwards, but we recommend a wider risk-based governance forum focussed on PMs, building on the current IDG.
	<b>POL Culture and Staff Support</b>	The culture developed across POL over many years has not focussed on PMs. The new purpose statement and plans currently underway as part of the culture work stream is starting to drive improvements. However, there is a long way to go to truly achieve this shift in attitude. Developing detail below the purpose and continuing to communicate expectations across the business will be key in making further improvements here.
	<b>Data and Management Information</b>	Although POL has access to a significant amount of data, this is not used proactively to drive insight to support action and decision-making. Whilst there is an overarching data strategy, there is no detailed plan below this nor funding/resources set aside to deliver against this. Examples of areas for improvements include PM remuneration data and proactive sharing of branch performance with PMs.
	<b>POL &amp; PM Communications</b>	There have been improvements in both operational communications (e.g. tone in letters to PMs) and more strategic communications, but there is still more to be done to develop a communications framework and ensure consistency of messaging and approach to create the appropriate balance between focus and use of a range of channels to communicate with PMs.
	<b>Systems and Technology</b>	There has been a historical lack of investment in IT to support PMs and there are many known issues in Horizon which are being progressed. Multiple systems are in use by different teams, and a combination of these systems are required to paint a holistic view of a PM at any one time. This results in a siloed approach to working and the provision of disjointed support to Postmasters.
	<b>Cash and Products</b>	Cash handling is an issue frequently raised by PMs as a problem area. Cash forecasting to meet branch cash requirements is not close to good practice and there is confusion and inconsistency around the support provided to PMs. Products such as Lottery and ATM are also flagged as problem areas, with issues around transactions correction processes and manual cash processes representing key parts of this.
	<b>PM Obligations and Dispute Resolution</b>	PM responsibilities are not always clear and, despite some simplifications, there is still huge complexity in the number of different contracts and related obligations. The appeals and dispute process regarding contract terminations or suspension or for general issues, such as transaction corrections, has not been clearly documented and communicated to PMs. SLAs have not been set for issue resolution processes and there is also no effective monitoring in place for the efficiency or quality of POL's response to issues raised.
	<b>Roles and Responsibilities and Organisational Design</b>	Roles and responsibilities across teams supporting PMs are not always clear. The organisational design work in progress is making changes to improve this and it will be critical to ensure that there is sufficient clarity and that changes are communicated effectively and consistently to support their implementation and drive improvements.
	<b>Proactive Support to PMs</b>	There is opportunity to provide further support to PMs to help them grow and manage their businesses. Some data is currently shared, but this is limited and not provided consistently meaning some PMs receive more proactive support than others. Training is not always aligned to the needs of different PMs e.g. business improvement training to help in driving revenues is not provided to all branches.

# 1.1 Executive Summary (continued)

## Progress made to date

As well as the **44** areas where improvements have already been implemented, in approximately two-thirds of the recommended areas for further improvement we noted that work was either already underway or has started during the duration of this project. Specifically:

- Out of the **6** urgent-priority findings, **4** have activity in progress
- Out of the **13** high-priority findings, **12** have activity in progress
- Out of the **26** medium-priority findings, **16** have activity in progress
- Out of the **13** low-priority findings, **8** have activity in progress

In addition, Internal Audit has been assessing the implementation status of the Norton Rose Fulbright (NRF) recommendations to address the CIJ findings. As of 10 March 2021, Internal Audit reported that 29/34 recommendations were complete, 4/34 were in progress (with a significant overlap with those called out in this report e.g. around onboarding policies and procedures and operator engagement) and the remaining 1 had been postponed. Of those in progress all are reported as being on track for completion at the end of March 2021. (Note: We have not independently checked or verified these findings as part of this Project).

Furthermore, we note that progress is being made on implementation of the HIJ actions through the work being undertaken through the IT teams and supported by KPMG. However, aside from the high-level recommendations we make here about overall IT and systems strategy, and a small number of references to specific technology fixes needed (e.g. finding **BC3** around use of memo view for urgent communications), we do not list out or repeat progress and recommendations reported in this area, as this was beyond the scope of this piece of work.

## Suggested Roadmap

As well as identifying a number of thematic and specific findings this report also sets out a high-level roadmap for delivering the recommendations. This roadmap (see **Section 3**) sets out groups of activities against different topic areas and is broken down into three recommended time periods for completion:

- **ASAP** - To be implemented as soon as possible, with completion by May 2021.
- **Short Term** - To be implemented in the near future, after the ASAP improvements, by August 2021.
- **Medium Term** - To be implemented over the course of FY21/22, with completion reached before March 2022.

Where recommendations are by their nature more complex and require a longer-term action, we have used an arrow box to indicate that they will remain a work in progress beyond March 2022.

On the whole, urgent and high-priority findings are flagged to be addressed immediately, though we note that there are some findings, that while work can start, will not be completed until later in the time period because of the complexity or reliance on third parties. Similarly, medium and low-priority findings are typically included later in the time period; however, some are grouped with more urgent issues where it makes sense to address them at the same time or where they represent a quick win and can be addressed more immediately.

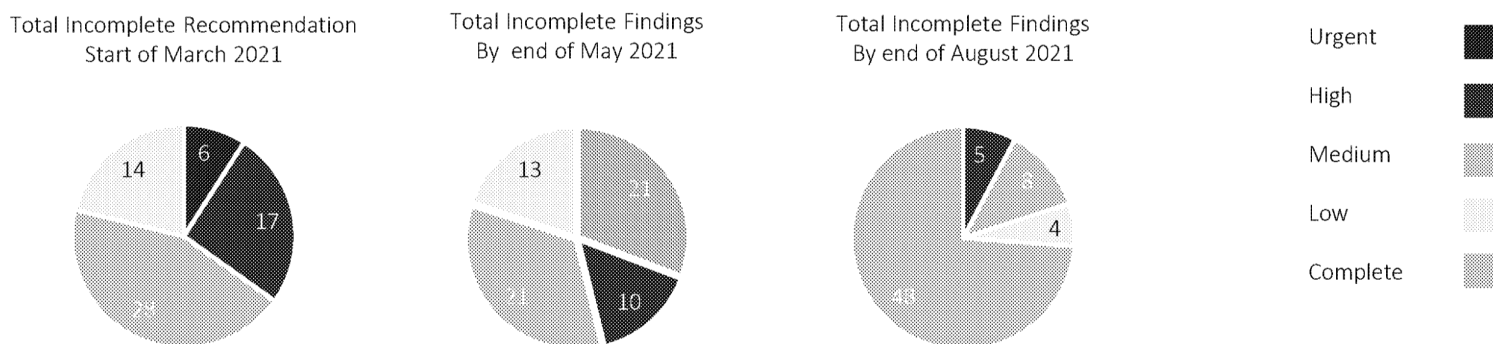


# 1.1 Executive Summary (continued)

## Closing down recommendations

Assuming that recommended actions from this report are completed in line with the targets set in the roadmap, the charts below illustrate how the status of findings will evolve (please note we have broken down our 58 findings out in to 65 actions, as some findings contain both shorter and longer term actions).

Figure 3: Charts illustrating the progression of findings resolution



By the end of March 2022, only longer term actions should remain incomplete, such as: embedding cultural values and behaviours, implementing technology and data strategies, plus any actions which cannot commence until after the period of time included within the Roadmap e.g. transition of ATM management to POL and review of the Lottery agreement with Camelot.

This roadmap does not take into account cost or resourcing implications and POL will need to consider these further in finalising the more detailed implementation plans to deliver against this. Meeting the timescales suggested will require investment and focus of the organisation both in the short term (e.g. through the shifting of resources to urgent and high-priority areas), and over a sustained period to genuinely drive change, particularly given that some elements of this (most notably, shifting culture and addressing the technology debt) will take time.

Throughout the report, we have been clear to set out accountable and responsible owners for each action, as this is key to delivery. We recommend that this action plan is delivered as a focussed programme or set of programmes of work going forwards with a single overall accountable owner and work package and work stream leads. Progress should initially be reported to and monitored by the Improvement Delivery Group (IDG) as an interim measure and then moved to the new (recommended) PM Governance forum, once this is operational.

**Implementing these changes provides a real opportunity for POL to build for the better, moving towards its aim of 'Putting Postmasters at the heart of the business' and supporting long term success for both POL and the PM community.**

<sup>1</sup> Post Office Horizon IT inquiry to establish a clear account of the implementation and failings of Horizon over its lifetime

## 1.2 Background, Scope and Approach

### BACKGROUND AND OBJECTIVES

Post Office Limited ('POL') has a core strategic aim to put Postmasters ('PMs') at the heart of its business. As part of the implementation of this strategy, POL needs to understand the extent to which the interests of PMs' have been embedded across POL, and where additional activity can be taken forward to better take into account PMs' needs.

In January 2021 Deloitte (referred to as 'we' throughout this report) was commissioned by POL senior leadership to undertake a piece of work looking at the 'Post Master Journey' (the 'Project') and areas of interaction between POL and PMs, to consider the progress made by the organisation towards its aim to 'Put Postmasters at the Heart of the Business'.

This Project involved the consideration of core activities and overall end-to-end processes across POL in relation to PMs - looking at the extent to which there have been improvements made over the last 12-18 months, where there are activities in progress or planned, and where there are existing gaps in PM support that POL should consider addressing and any further work that may be needed to support achievement of this strategic aim.

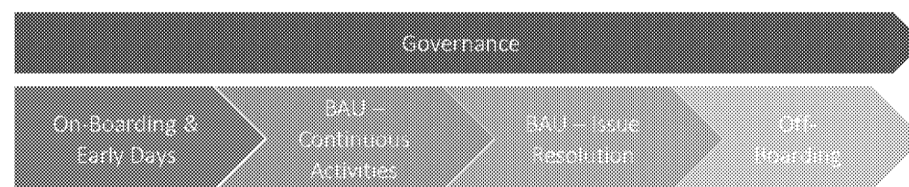
**Note:** Post Office's Postmasters operate their businesses through a variety of different business structures. Therefore, a reference to a Postmaster or PM in this report could, depending on the circumstances, mean an individual, a limited company or a partnership. In the case of a limited company or partnership, the recommendations in this report will typically apply to the partner/director or employee with main responsibility for running the branch, and, in the case of individuals who do not work in their branch regularly, many of the recommendations in this report apply as much to a branch manager or Officer in Charge operating the branch on their behalf as to the individual who has entered into a contract with Post Office.

### SCOPE

This purpose of this Project was to:

- Understand POL's core processes and activities in respect of PMs to identify:
  1. What improvements have been made over the past 12-18 months in terms of POL interactions with PMs
  2. What improvements are planned or in progress to improve POL interactions with PMs
  3. Any existing gaps and further improvement opportunities (referred to as 'findings' throughout this report) POL should address in support of its strategic aim.
- Consider wider thematic areas that could strengthen POL interactions with PMs including (but not limited to) governance and organisational structure, accountability and responsibilities, communications and relationship management and training.
- Develop a risk-based prioritised roadmap showing potential sequencing of improvements to support interactions with PMs. Whilst this did not include an assessment of the costs of implementing these changes, it does focus on the areas that are likely to have the largest potential impact in reducing the risk of PM detriment.

We considered the above by conducting a wide range stakeholder interviews across POL to understand current processes and activities across the organisation from a Governance standpoint, and across the four stages of the PM journey below:



We have also performed a high-level review of documentation to aid process understanding, or to validate stakeholder feedback, where we felt this was required.

## 1.2 Background, Scope and Approach (continued)

### APPROACH

---

This Project was conducted as follows:

- We mobilised a leadership team and five core teams each consisting of two to three individuals with access to relevant additional subject matter experts. Four of these teams led the analysis of activities within in each of the four stages of the PM journey based on the initial list of activities within each stage as provided by POL. The final team focused on the wider thematic areas that could strengthen POL interactions with PMs including (but not limited to) governance and organisational structure, accountability and responsibilities, communications and relationship management and training.
- Work was broken down into three two-week 'sprints' across the project with key findings reported to POL project leadership at the end of each sprint phase (refer to Appendix C for a list of meetings held with POL leadership, including summary of content presented).
- Each team conducted interviews with stakeholders across POL to understand what improvements have been made to date and what improvements are planned or in progress. We also considered what further improvement opportunities exist for POL.
- Information was obtained by:
  - Interviewing the head of each business unit and relevant team members across POL
  - high-level review of documentation to aid process understanding, or to validate stakeholder feedback, where required.
- Where we identified any gaps or further improvement opportunities, we validated our findings and suggested recommendations with POL responsible and accountable action owners.
- We presented emerging findings and recommendations periodically at weekly Postmaster Experience Roadmap Steering Committee meetings and bi-monthly Postmaster Experience Roadmap Forum meetings (refer to Appendix C for a full schedule of meetings held, including POL attendees and information presented at each).

Our fieldwork was completed based on review of key business documentation and workshops and interviews with stakeholders across the business between 11 January and 2 March 2021 (see Appendix D for a full list of stakeholders consulted). The findings in this report reflect the latest position as of 3 March 2021.

### LIMITATIONS

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The scope of this Project did not include:

- Direct contact with PMs (however, we did consider the extent to which POL engages with PMs to support the overall strategic aim of putting PMs at the heart of the business and looked at feedback e.g. from the PM Survey on issues that matter most to them, spoke to Area Managers around issues faced by PMs and considered information and wider evidence including on PM complaints).
- Operational effectiveness testing.
- Review of the underlying IT system controls and environment.
- Assessment of improvements in activities and processes made prior to March 2019.
- Assessment of the design or effectiveness of improvements made, or improvements planned or in progress.
- Testing or verification of the timing of improvements made, or of improvements planned or in progress. Information on timings has been obtained through discussion with Management only.
- Cost assessment of any additional activities that could be used to further strengthen POL interactions with PMs. (Given the limited funding available POL may therefore need to prioritise activity contained with the recommendations or in some cases may choose to implement a different approach).
- Detailed consideration of the historical issues covered by the 2019 Horizon Issues and Common Issues Judgements – though as highlighted on the previous slide this work was completed with awareness of activity happening in these areas and any findings and recommendations mentioned here are made in with this wider context.
- Validation of work under taken by Internal Audit or other third parties.
- Legal analysis or engagement in connection with the process and report.







Furthermore, this Project is one of a number of related activities taking place across POL following the Commons Issues and Horizon Issues Judgements (the 'Judgements'). This includes work around culture and IT system (See figure 1). This Project has been conducted separately and does not:

- Summarise the work performed across the different areas of POL
- Formally assess any follow on or follow up activity in relation to these Judgements.



## 1.3 Summary of Urgent-Priority Findings

The following table summarises the urgent-priority findings with a brief description of each of these and an indication of progress in addressing each of these. Further detail on the finding, recommendations and details of the accountable and responsible owners for each of these is included in **Sections 5 to 9**.









Urgent-Priority Improvements			
Reference Number	Finding Name	Finding	Progress
OF1	Appeals and disputes for contract terminations or suspensions	The appeals and disputes process regarding contract terminations or suspension has not been clearly communicated to PMs to ensure they understand the options available to them and that the procedures and timescales are clear.	
BI1	Maintained Error Limits	Where there is a difference in a POL settlement account for a process affecting branches (for example ATM or Lottery) for a specific amount (which varies by product), rather than issuing a transaction correction which would move the difference to a PM's branch account, the amount is instead 'written off' to a POL P&L account leading to potential PM financial detriment.	
BI2	Settle Centrally	Currently the PMs can only 'Settle Centrally' for amounts of > £150 and any amount less than this currently needs to be 'made good' by either cash or cheque by the PM each month. Also, there is no dispute functionality within Horizon in order to allow PMs to easily dispute any amounts that have been 'settled centrally'.	
BI3	ATM transaction disputes	There are a lack of effective procedures in place to manage ATM transaction disputes, raised by customers through Bank of Ireland (BoI), who are the Link member currently managing the POL ATM network. This leads to potential PM detriment.	
BC1	Shortfall Resolution Scheme Exceptions	The historical shortfall resolution scheme does not cover the period between each branch's migration to HGNA in 2017 and 2018 and the common issues judgement in 2019. Should PM detriment have occurred in this period (e.g. arising from contract termination or unpaid suspension), this detriment will not have been investigated or compensated.	
BC2	Postmaster Debt Uncertainty	No investigation has been conducted to identify and resolve any PM debt accrued between the implementation of HGNA and the establishment of new ways of working between HMU and BAU. This leads to a risk that PMs who accrued debt in this period do not have certainty over their historic debt balances and do not understand if, how, or when they will be resolved.	

**Progress Summary:** The Harvey Balis give an estimate of progress made towards addressing the findings at start March 2021 based on conversations with key stakeholders across the business. These progress updates have not been fully tested or verified and are included here to give a high-level indication of progress only:








## 1.3 Summary of High-Priority Findings

The following table summarises the high-priority findings with a brief description of each of these and an indication of progress in addressing each of these. Further detail on the finding, recommendations and details of the accountable and responsible owners for each of these is included in **Sections 5 to 9**.

High-Priority Improvements			
Reference Number	Finding Name	Finding	Progress
G1	Complex Systems landscape making single view of PM challenging	There are a number of different systems in use for processing and recording interaction with PMs, as set out in the diagram shown in Appendix G. Multiple systems are in use by different teams, and a combination of these systems are required to paint a holistic view of a PM at any one time.	
G2	Values and Behaviours not yet embedded across organisation	The desired cultural shift to putting the PM at the heart of all activities has not been consistently embedded yet across POL. Additionally, 'Post Office Values' have yet to be developed and communicated.	
G3	No overarching PM focussed governance forum	To date, there has been no overarching mechanism in place for review of POL performance in providing services to PMs or a governance forum to help oversee and drive required PM related decisions and actions through to completion	
G4	No detailed plan to implement the high-level Data Strategy	There is no detailed plan for activity behind the high-level data strategy or agreed funding and resourcing to take forward activity around MI, data utilisation and optimisation.	
G5	Insufficient clarity on roles and responsibilities	POL's organisation is complex and there is a lack of clarity between teams on roles and responsibilities, which undermines a cohesive approach across the Postmaster journey. This is being addressed by some of the organisational re-design activity, but will need to be embedded.	
BC3	Use of memo view may mean that PMs are not sighted on all urgent communications	The processes in place to push urgent operational communications (e.g. around notification of scam calls) to branches is based around memo view. At present, messages are not retained on the system, meaning that if PMs miss them initially they may be unaware of security or other business critical risks.	
BC4	Insufficient PM Remuneration MI	PMs are not provided with sufficient information to understand their remuneration from a performance perspective and are unable to readily assess how their remuneration compares with other similar branches or their own trading performance in prior years.	
BC5	Design methodology and process	Many existing products have been designed based on cost-based metrics and in isolation, rather than in a manner that prioritises the PM experience. This has led to several PM-operated day-to-day processes being complicated and difficult to administer.	

## 1.3 Summary of High-Priority (continued)

The following table summarises the high-priority findings with a brief description of each of these and an indication of progress in addressing each of these. Further detail on the finding, recommendations and details of the accountable and responsible owners for each of these is included in **Sections 5 to 9**.

High-Priority Improvements			
Reference Number	Finding Name	Finding	Progress
BC6	Cash discrepancy investigation procedure misalignment	There is no Service Level Agreement (SLA) for investigating cash discrepancies (e.g. a PM having less cash in their tills than their system declares), which can result in such discrepancies, on occasion, not being fully investigated before the CCTV data is removed, which happens after 90 days.	
BI4	Accounting disputes process	Accounting disputes processes have not been clearly documented and effectively communicated to relevant POL staff, nor has guidance been produced and shared with PMs to clearly explain the options available to them and what the procedures and timescales for reply and resolution are.	
BI5	Complaints handling processes	Complaints processes have not been clearly documented or effectively communicated to relevant POL staff. Additionally, guidance has not been produced or shared with PMs explaining the options available to them and what the procedures for complaint reply and resolution are.	
BI6	Absence of SLAs for issue resolution processes	SLAs have not been set for issue resolution processes across POL and there is also no effective monitoring in place for either efficiency or quality of POLs response to issues raised.	
OF2	Perception of bias in Investigation process	There is no clear objective party involved (from a PM perspective) during POL's suspension, investigation or termination processes, or in situations where there has been appeal lodged regarding these items.	



# Key Themes



## 2.1 Thematic findings

In the course of this work, a number of themes have become apparent in respect of the observations raised. Nine themes span the entire Postmaster journey, where there are a number of significant (particularly urgent and high-priority) findings, which we have summarised in this section..

The nine themes are:

Figure 4: Themes illustration




Each theme has been structured to show a summary of the observations made, key progress or activities in progress and suggested recommendations or principles for consideration. The findings in these nine themes are summarised in this section then described in more detail in the Detailed Findings **Sections 4 to 9**.

These align closely with the areas flagged in the recent PM consultation survey as priorities for improvement. Beyond PM remuneration these key priority areas raised by PMs included efficiency of systems and processes, including IT systems, the need for better communication, transparency around queries and complaints and improvements in training and MI.\*


\* See PM consultation themes, final data, 22nd Feb 2021

## 2.2 Themes: Governance


Theme	Summary of observations and recommendations
<b>1. Governance</b>    <i>How are PM centric risks identified, mitigated and monitored?</i>	<p><b>Context</b></p> <p>Governance is key to supporting business strategies and objectives, to support alignment and focus on the right areas of activity and to ensure risks are mitigated in areas that are critical to delivering desired outcomes. POL's desired shift to a PM centric business needs clear governance and end-to-end oversight.</p> <p><b>Current position</b></p> <p>There is no single overarching end-to-end governance over risks and activities that could be detrimental in their impact on a PM. Our findings have highlighted a number of areas where key aspects have been lacking across POL in respect of focussing attention, resource and activity on PM centric issues.</p> <ul style="list-style-type: none"> <li>To date, there has been no overarching mechanism in place to review POL's performance in providing services to PMs or a governance forum to help oversee and drive required PM related decisions and actions through to completion. This lack of an end to end PM centric forum and visibility of PM related issues has manifested throughout POL and resulted in a disparate and non-cohesive way of working with PMs and with less focus on the issues that matter most to PMs. In addition, there has been insufficient information made available across POL and to PMs to support driving a more PM centric approach e.g. branch trading MI (Ref G3).</li> <li>Risks impacting PMs have not previously been well articulated, and further effort is required to make the impact on the PM clearer in risk descriptions. There is also currently no mechanism supporting the shifting of attention onto emerging risks that may require more attention or are operating outside of risk appetite as the risk management framework in place does not allow these to be identified or discussed in an appropriate governance forum (Ref G3).</li> <li>Management information is key to supporting governance and decision making and multiple observations around the quality and use of it have been highlighted in <b>section 2.4</b>. Improvements are required to ensure the right information is being collated in order to drive appropriate decision making by POL, so that activities and focus can be on those areas where attention is required. The current MI and reporting in place does not provide sufficiently clear insights into how POL is performing against its PM centric objectives, or a clear enough view on branch performance or conformance insights through the KPIs in place. MI has not been optimised to support decision making, and there has been no centralised forum where end-to-end PM related MI has been received and reviewed by management to support these objectives. We note some good recent progress in this area with the introduction of the Voice of the Postmaster forum in February 2021, which will review PM insights and some PM metrics.</li> <li>As noted further in the Culture section (3.3), POL has not historically had a culture which encouraged transparent feedback or continuous improvement activity. This is a key part of an effective governance framework, to learn and improve processes on a continual basis. (Ref G7).</li> </ul> <p><b>Recommendations</b></p> <p>Specific recommendations for these areas are set out in <b>Section 5</b>. The Voice of the Postmaster Forum and Improvement Delivery Groups recently created are a step forward in addressing some of the issues, and the Postmaster Director role (once filled) should also add more focus to the governance aspects. We recommend a wider risk-based governance forum (<b>section 5, G2</b>) is developed where focus is on risks and issues that impact PMs and POLs ambitions with respect to working with PMs. Information and data, including intelligence from AMs, should inform areas of focus and where attention is required. Actions should be driven through to completion by this forum, with clear accountability and responsibilities in place. A forum of this nature would be considered good practice for a significant area of business risk.</p>




## 2.3 Themes: POL Culture and Staff Support

Theme	Summary of observations and recommendations
<b>2. POL Culture and Staff Support</b>    <i>Does the culture support the strategy and are mechanisms in place for colleagues to support PMs?</i>	<p><b>Context</b></p> <p>Historically, POL has not consistently focused on the organisational culture and how this can support and drive desired strategic objectives. Focus has been on a commercial perspective rather than on ways of working with PMs to focus on their needs and requirements to deliver outcomes. A clear shift is required across the organisation which requires a significant amount of effort. Steps are underway to progress this through the work being undertaken as part of the Culture programme but this will need ongoing focus to ensure a genuine shift in focus towards PMs happens across POL.</p> <p><b>Current position</b></p> <p>A number of observations have been made in the course of this Project about the culture of the organisation in regards to ways of working with PMs, communication, and shared values and behaviours. Putting the PM at the heart of the business is not yet embedded throughout POL's culture, processes, and resourcing structures. Examples include:</p> <ul style="list-style-type: none"> <li>• Values and Behaviours are not yet articulated across POL (at the time of reporting). Whilst we understand there are plan in place to do this, as yet these have not been clearly articulated or agreed (<b>Ref G2</b>). Cultural initiatives and activities (described at <b>G2</b>) under the Driving Postmaster Centricity workstream have already started prior to these values being articulated.</li> <li>• Core policies and processes in operation across the PM lifecycle have not always considered PMs needs or had the view of a PM embedded within them. The POL strategy has previously focused on cost reduction and commercial return. We also noted a lack of cultural and soft skill training provided to key PM facing teams, such as the security team and support teams, which has not adequately equipped teams to support PMs effectively (<b>Ref BC12</b>).</li> <li>• In addition job descriptions, recruitment and induction processes don't currently reflect the PM centric approach or focus on how PM services needs to be built into performance objectives (<b>Ref BC11</b>).</li> <li>• Consistent feedback mechanisms and continuous improvement have not been in place across the organisation. Many issues have been raised to various external and internal groups over a period of years but no action has been taken or followed through as a result. This has impacted colleague motivation across POL and PMs who do not feel as though their concerns or suggestions have been listened to and taken into consideration. In addition, it is not clear to some colleagues how to make suggestions for improvements and what the appropriate mechanism is to do this. This absence of a continuous improvement culture also impacts the ability of the organisation to assess and respond to valid feedback that may be gained from those in operational roles (<b>Ref G7</b>).</li> </ul> <p><b>Recommendations</b></p> <p>Plans are in place to start addressing the required shift in culture throughout the organisation, and these activities (<b>Ref G2</b>) will bring POL up to date with what many organisations have been doing for some time, e.g. twinning of senior leadership to day to day operational teams, spending time in different parts of the organisation, articulating clear values etc. These will provide a baseline from which POL should continue to develop and embed the required cultural changes.</p> <p>Overall, the organisation needs to define its core values, behaviours and purpose in a way that can be understood by all, embedded and consistently adopted across POL's ways of working and colleague communications. The new purpose statement and plans underway as part of the culture workstream will drive improvements, but there is a long way to go to truly embed this shift in attitude. Developing detail below the purpose and continuing to communicate expectations across the business will be key. Focus needs to be on where the PMs fit into the organisation, what their critical role is and how POL teams can 'work together' to achieve strategic ambitions.</p>

## 2.4 Themes: Data and Management Information

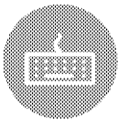
Theme	Summary of observations and recommendations
<b>3. Data and Management Information</b>   <p><i>Does POL use data and MI effectively to support the achievement of strategic objectives, and the decisions in relation to better outcomes for PMs?</i></p>	<p><b>Context</b></p> <p>Several observations and findings have been made in the course of this work about ways of working with PMs and how to use management information (MI) to drive effective, data-led decisions and positive outcomes and behaviours. In the recent PM consultation survey, 55% of PMs mentioned that they wanted to see more/better MI available e.g., branch sales information.</p> <p><b>Current position</b></p> <p>There are a number of areas where MI has been lacking across POL around <b>(1)</b> Overall ownership and strategy; <b>(2)</b> How data is collated and accessed; <b>(3)</b> How the data and MI is used, and by whom; <b>(4)</b> How insights are drawn and presented; and <b>(5)</b> How and where MI is being reported. Currently, significant organisational redesign is underway. Whilst the design principles and need for PM prioritisation have been considered, detail behind the overarching MI, data utilisation and optimisation strategy has not been developed. The key findings in respect of Data and MI include:</p> <ul style="list-style-type: none"> <li>POL has a high-level data strategy but there are no detailed plans to support putting this in place or resources or funding allocated to progress this activity. As a result, this limits the ability for POL to make use of best practice in relation to data optimisation and utilisation, such as leveraging data to innovate products and services and using telemetry to enhance and improve the PM and customer experience. <b>(Ref G4)</b></li> <li>Numerous systems exist in POL, and there is no single view of a branch and all the interactions that POL has with them. This limits the ability to have a clear view of insights that can be used to enhance the PM experience. For example, it was found that the field teams can view what the central teams' action, whilst the central teams cannot view what the field teams are actioning. <b>(Section 2.6, Ref G4, OF3, POL IA Review: Postmaster Reporting)</b></li> <li>At present MI and reporting does not provide complete end to end PM insight or enable forward looking decisions to be made, nor does it show how POL's strategy is performing to ensure that POL is achieving the desired outcomes <b>(Ref G2, BI6)</b>. Where metrics exist, there are no early warning indicators or baseline metrics that exist in either the Branch Insight Tool (BIT) or in the MI available to POL management and the AMs, which limits POL's ability to take proactive measures to prevent issues or capitalise on consumer trends. <b>(Ref OF3, G1, BI6, POL IA Review: Postmaster Reporting)</b></li> <li>PMs are not provided with sufficient information to understand their remuneration. Whilst remuneration advice slips are provided, PMs are not able to assess how their trading compares to other similar branches or compare their trading results (and remuneration) with prior years. Additionally, whilst remuneration and sales reports are available on Horizon, these are not user friendly, and PMs are often not aware of these reports or how to use them. <b>(Ref BC4)</b></li> <li>POL could do more to actively support PMs to improve branch performance. Heavier emphasis is placed on the tier 1 branch network, with tier two and three branches having access to some remote support but less frequent AM contact and input. Further details of this are set out in Findings <b>BC4, BC7, BI6, BI7, and OF3</b>. PMs additionally have limited visibility of their performance data (including TCs) and do not have access to standard, automated information that will improve revenue or sales. POL also does not use the data it has available to prioritise the provision of support to improve branch performance.</li> </ul> <p><b>Recommendations</b></p> <p>A plan setting out further detail to deliver the data strategy should be developed <b>(Ref G4)</b> centred on the needs of PMs and the business in support them. This should include the approach, priorities and requirements for funding and resources to take this forward. It is key that PMs are provided with the tools enabling them to monitor and grow their own business using MI. Whilst it is recognised that data analytics is an area where a lot of investment could be made, short term focus should be on optimising existing data to support governance forums in ensuring that the right outcomes are being met. The data strategy should be in line with an overall technology strategy <b>(Section 2.6)</b>. Potential longer-term considerations would be costly and take significant investment, such as an overarching data lake, which is supported by a reporting warehouse and MI Insights/Reporting Team or implementing a Self-Service MI Function through existing tools such as Branch Hub.</p>

## 2.5 Themes: POL and PM Communications


Theme	Summary of observations and recommendations
<p><b>4. POL &amp; PM Communications</b></p>  <p><i>How are PMs communicated with, and how are internal communications considered?</i></p>	<p><b>Context</b></p> <p>Effective communication between POL and PMs is key to strengthening effective working relationships. Communication methods have been raised multiple times during this project with respect to the need to improve specific day-to-day operational communications with PMs and their effectiveness, clarity and consistency. The recent PM consultation survey further highlighted that 62% of PMs want to see 'better communications in general', with 57% noting the importance of 'simpler communications'. Communication to date has often focused on what POL want to share or think is important, rather than what PMs need or what is important to them.</p> <p><b>Current position</b></p> <p>Some important improvements in day-to-day operational communications that have already taken place, with tactics and content rationalisation ensuring PMs have clearer and more accessible messages. Examples of this are at findings <b>BI23</b> and <b>BC28</b> and include areas such as updates to letters and call centre scripts to reflect more PM centric wording. At the strategic level, there have been attempts to communicate 'the why', listen to PM feedback, expand the conversation on different channels, and better target messages (<b>G6</b>).</p> <p>There is now a clear effort in ensuring communications to PMs are more useful and tailored to PMs</p> <p>Despite these improvements, this Project identified several key areas where further work is needed, including:</p> <ul style="list-style-type: none"> <li>• Development of an overarching communications framework, including a documented, scoped and planned project to improve the communications between PMs and POL, setting out clearer distinctions and accountabilities between operational and strategic communications.</li> <li>• The proliferation of new ways of communicating to PMs (e.g. new channels such as use of WhatsApp) – perhaps in response to the difficulties of targeting this audience, the current approach risks confusion, incoherent messages, and insufficient POL control on the information going to PMs. Careful consideration should be applied here.</li> <li>• The need for a formal processes to ensure that the contents of this strategy (e.g. key messages or vital PM-centric information) is disseminated to the people and functions (AMs and Contact Centre, for example) that have the most touchpoints with PMs.</li> </ul> <p>As well as these overarching themes, there are several specific findings that touch on PM communications e.g., <b>BC19, BC3 and ONS 80</b>.</p> <p><b>Recommendations</b></p> <p>Overall, we recommend implementing and coordinating a strategic communications framework for PM engagement to cement the planned activities and formalise the work already being done – this should be resourced appropriately to allow effective delivery. Recommendations are set out in the detailed findings section for the specific day-to-day communications issues noted.</p>



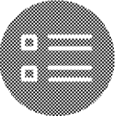
## 2.6 Themes: Systems and Technology

Theme	Summary of observations and recommendations
<b>5. Systems and Technology</b>  <p><i>Does the IT infrastructure support a single view of PMs and support them in running their businesses?</i></p>	<p><b>Context</b></p> <p>Across POL there is currently no centralised enterprise technology strategy and no vision overall for the target desired technology landscape. There has been historic under-investment in technology (particularly to support PMs) which has resulted in a disparate and disjointed system landscape. The most recent PM survey shows that a desire to ‘simplify/improve horizon’ is the 2<sup>nd</sup> highest priority area for PMs, with 71% of them flagging this as an issue.</p> <p><b>Current Position</b></p> <p>There are numerous different systems in use for processing and recording interactions with PMs, as set out in the diagram shown in Appendix G. Multiple systems are in use by different teams, and a combination of these systems are required to paint a holistic view of a PM at any one time. This results in a siloed approach to working and the provision of disjointed support to Postmasters, with customer support teams not having visibility of previous issues / or queries raised. The systems in use often do not ‘speak’ to each other, so there is potential duplication, and effort spent on aligning information or entering data. Systems are very limited in terms of a two-way flow of data (<b>Ref G1</b>).</p> <p>Some systems are old and do not contain the level of functionality required for day-to-day tasks, which leads to slower processing, limited use of systems and teams using workarounds to enable them to access and utilise data e.g., Galaxy. There has been a lack of investment in Supply Chain technology, which has contributed to several issues for PMs and has not enabled them to be able to effectively manage cash and stock, for instance.</p> <p><b>Recommendations</b></p> <p>There are specific recommendations for individual findings in the detailed findings <b>sections 4-9</b>. However, there are thematic recommendations for POL to consider which are longer term to optimise the systems and technology landscape.</p> <p>Specifically, there is a need to develop an overarching and enterprise-wide forward technology strategy, setting out a vision for each component of technology estate required to support operating processes and an overall timetable for key changes required to move away from legacy infrastructure.</p> <p>As part of this strategy there should be a clear view, developed based on the needs of the PM and in conjunction with the business teams supporting them, on critical elements including:</p> <ul style="list-style-type: none"> <li>• Clarity on standard operating procedures and processes which should be supported by technology.</li> <li>• Is a single customer view the goal? What is the optimal way to achieve this?</li> <li>• How can POL systems provide a branch with all the details needed to provide the support in one place: such as cash and stock management requirements, transaction data, onboarding processes, and transaction corrections?</li> <li>• What information would be self service for PMs? How does this link to PM requirements/capability/ training?</li> <li>• The extent to which POL continues to rely on third-parties vs. investing in developing internal capability for systems changes and upgrades.</li> </ul> <p><i>(Note: wider specific Horizon related IT improvements as a result of the HIJ are being taken forward as part of the work being undertaken by KPMG. Findings and recommendations here are consistent with that activity but do not seek to replicate the detail of that work).</i></p>

## 2.7 Cash and Products

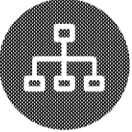
Theme	Summary of observations and recommendations
<p><b>6. Cash and Products</b></p>  <p><i>What processes are in place to support PMs in safely managing cash and providing daily product offerings?</i></p>	<p><b>Context</b></p> <p>This theme summarises the high-priority findings noted around cash and product management, each of which could lead to PM detriment and collectively comprise a thematic area where significant improvement is required. Overall, 65% of PMs report day-to-day systems, processes and products (including ordering stock, getting cash) as a priority areas for improvement, in the recent PM consultation survey . Currently, processes around cash management require heavy manual involvement, which is inefficient and leads to cash handling risks. Furthermore, transaction disputes remain an area of concern, with further clarity required around POL's strategy in this area (particularly in relation to investing in systems and products that reduce the risk of disputes occurring) and additional assurance needed to ensure any historic detriments are managed effectively.</p> <p><b>Current position</b></p> <p>There are a number of areas where we have raised observations, including:</p> <ul style="list-style-type: none"> <li>• Cash forecasting remains heavily manual, with an excel spreadsheet used by teams. Additionally, cash counting devices are not consistently used across the network, which leaves PMs vulnerable to cash counting errors. Whilst it may not be financially expedient to provide all PMs with cash counting devices, further consideration is required around the provision of such devices across the network given their importance in mitigating errors. <b>(Ref BC21)</b></li> <li>• Transaction disputes continue to be an area of concern, with no consistent procedures in place. This risk is particularly high around ATM transaction corrections, with aged machines and reliance on Bank of Ireland's data leaving PMs vulnerable to financial detriment. <b>(Ref BI1)</b></li> <li>• Key products operated by PMs daily are cumbersome and require heavy manual input, most notably ATM and Lottery products. <b>(Ref BC6)</b></li> </ul> <p><b>Recommendations</b></p> <p>Detailed recommendations are set out in <b>sections 4-9</b> of the report. Overall, POL should consider enhancing its processes for cash forecasting, as well as use of good practice equipment and procedures in order to ensure processes in this area are robust and meet the requirements and challenges of PMs. Aligned with this, POL's 'historical matters' should continue to be the subject of scrutiny, with an assurance review required to ensure PMs are compensated for any historical detriment in a fair and transparent manner. Additionally, key products used by PMs must be intuitive, simple to use, integrated within Horizon (in so far as is possible) and support robust financial controls to support and protect PMs.</p> <p>Central to the challenge of addressing these known product issues (particularly ATMs and Lottery) has been a lack of organisational clarity around who is responsible for addressing product issues, which has been coupled with an under-investment in long-term solutions. ATMs provide a good example, with some PMs not having access to cash counting devices and counting cash in their ATMs manually. The risk of manual cash counting error this results in is amplified by POL providing PMs with insufficient support in managing Bank of Ireland discrepancy claims, which leads to an increased risk of PM detriment.</p> <p>Organisational design review activities intend to make this clearer, by placing end-to-end responsibility for all product customer journeys with the product teams, who will be equipped with the authority and accountability to resolve product issues. The key challenge for management will be supporting product owners (and holding them to account) in working with the business to ensure optimisation from a PM perspective, rather than solely in support of POL cost drivers. Additional challenges are presented by contractual relationships with third-parties vis-à-vis products, which will require robust commercial and contract management.</p>

## 2.8 PM Obligations and Dispute Resolution


Theme	Summary of observations and recommendation
<p><b>7. PM Obligations and Dispute Resolution</b></p>  <p><i>Are the processes and practices in POL ensuring fair and transparent treatment for PMs?</i></p>	<p><b>Context</b></p> <p>This theme summarises several of the urgent and high-priority findings identified around PM obligations and dispute resolution, noting that clarity in PM obligations – together with the dispute resolution process – has been a historic area of weakness for POL (as referenced in CIJ). For example., in the PM consultation survey 57% of PMs highlight the need for more transparency regarding the status of questions, queries and complaints.</p> <p><b>Current position</b></p> <p>The key findings in relation to this theme are summarised as follows:</p> <ul style="list-style-type: none"> <li>• There is a large degree of complexity in the number of PM contracts in place. Following the CIJ this has been reduced, but there are still a large number (c30+) of variants that can be used. PMs and AMs have inconsistent understanding and knowledge of such contracts due to their complexity and varied contractual obligations, which at times results in the non-enforcement of contractual terms. There has also been a reduced desire to enforce such terms following the GLO. This has resulted in a significant downturn in suspensions and terminations, with four suspensions and zero terminations in FY20/21 compared with 70 in FY19/20. An example was given by an AM whereby a PM was unaware that operating a MyHermes alongside a Post Office is a breach of contractual obligation <b>(Ref BI7)</b>.</li> <li>• The appeals and dispute process regarding contract terminations or suspension is still being developed. Work remains to be done to establish an independent party's involvement in the investigations (and decision-making processes) for both POL and PMs regarding terminations. It was noted that there is a contractual appeals policy in place for legacy contracts, which is documented; however, for Locals and Mains contracts, the right of appeal was taken out. Work is underway to address this gap. <b>(Ref OF1 &amp; OF2)</b></li> <li>• The process for handling complaints and dealing with queries or issues raised by PMs has not been clearly defined, nor have appropriate guidelines been developed and made available to PMs, to help ensure that they are aware of the assistance available to them. Additionally, clear SLAs for issue resolution activities have not been set, to enable monitoring and help to identify and address any emerging areas for improvement. <b>(Ref BI4, BI5 &amp; BI7)</b></li> <li>• Three instances have also been identified where issues have been noted with the accounting reconciliation processes, which are highlighted below:             <ul style="list-style-type: none"> <li>○ Maintained error limits – Where there is a difference in a POL settlement account for a branch affecting process (for example ATM or Lottery) of specific amounts rather than issue a transaction correction which would move the difference to a Postmaster's branch account, the amount is instead 'written off' to a POL P&amp;L account. These differences could result in a write off being a cost or a benefit to the PM. <b>(Ref BI1)</b></li> <li>○ Settle centrally - Currently PMs can only 'Settle Centrally' for amounts of &gt; £150 and any amount less than this currently needs to be 'made good' each month by either cash or cheque by the PM <b>(Ref BI2)</b></li> <li>○ ATMs - Procedures in place to manage ATM transaction disputes, raised by customers through Bank of Ireland (BoI), who are the Link member currently managing the POL ATM network, are not effective. <b>(Ref BI3)</b></li> </ul> </li> </ul> <p><b>Recommendations</b></p> <p>Recommendations with regards to specific findings are made in the detailed finding section of the report. In summary, there is a need to create a clear framework for contracts, including a schedule of obligations to the contracts. Additionally, policies and procedures need to be drafted, communicated and trained on in relation to appeals, dispute escalation, and accounting reconciliation processes. Furthermore, in relation to the accounting reconciliation, processes, systems and controls need to be reconsidered in line with the revised practices <b>(Ref BI1, BI2, BI3, OF1, OF2)</b>.</p>



## 2.9 Roles and Responsibilities and Organisational Design

Theme	Summary of observations and recommendations
<p><b>8. Roles and Responsibilities and Organisational Design</b></p>  <p><i>Are POLs organisational structures and teams' roles and responsibilities conducive to supporting the right outcomes for PMs?</i></p>	<p><b>Context</b></p> <p>In order to put the PM at the heart of the business, the organisational structure and the POL teams' roles and responsibilities needs to be reflective of this PM centric goal. This work has highlighted the complexity of the current POL organisation and an overall lack of clarity between teams on roles and responsibilities, which undermines POL's ability to apply a cohesive approach across the PM journey. The organisation redesign work in progress seeks to remediate this, but there will need to be high clarity in order for the changes to be successfully embedded across the organisation and drive tangible improvements. <b>(Ref G5).</b></p> <p><b>Current Position</b></p> <p>Throughout the course of our work, we noted several findings that highlight a lack of clarity over roles and responsibilities, which could have a detrimental impact on PMs. Overall, sentiment has indicated a need to simplify the organisational structure to support POLs future strategic ambitions and goals.</p> <ul style="list-style-type: none"> <li>• AMs spoken to over the course of the Project had different views on their core roles and responsibilities. For example, one AM considered themselves to be the conduit between the PM and POL from a perspective of facilitating conversations between the parties, while another stated that helping PMs grow and manage their business effectively was their core responsibility. <b>(Ref B18)</b></li> <li>• To reduce organisational complexity, all PM support teams have recently been brought together under the Retail &amp; Franchise Network Director. However, interviews with support team members indicated that the roles and responsibilities of the teams are still unclear. Agreement of the field and support centre teams roles and responsibilities is required between functional heads.</li> <li>• Due to numerous organisation shifts over the recent years, there have been many name changes to the support function roles resulting in confusion amongst both PMs and POL over who is the correct team to contact. For example, the Cash Management team was recently renamed as the Inventory Management team, but due to a poor communication programme PMs were not adequately aware of this change and have thus not been willing to engage with outbound calls from this team. Similarly and the Network Provision Lead 'NPL' has changed names up to five times in the last five years. Whilst their role has had minimal change, but this has led to confusion from other teams. <b>(Ref BC10)</b></li> <li>• As set out in the governance theme, there has been no overarching mechanism or forum in place with the specified role and responsibility for reviewing POL performance in providing services to PMs <b>(See Section 2.2).</b></li> </ul> <p><b>Recommendations</b></p> <p>Organisational redesign is in progress, and good improvement has been made to date, with the aim of simplifying the organisational structure to support the desire to put at the heart of the business. To date, reorganisation to the GE-1 level has been rolled out, with the second tranche of changes announced on the 3<sup>rd</sup> March 2021. As an example of the changes made, product owners (ATM, Lottery etc.) will now be responsible for the end-to-end processes for their product, including any historic issues and/or future activities. This clarity in accountability is crucial as it has been a critical issue previously. However, the changes will be challenging to the individuals directly involved, so there is a clear need for the change to be clearly communicated, understood and for consultation to be undertaken on capacity and knowledge issues, particularly in respect to historical matters, to ensure that the issues can be addressed effectively.</p> <p>The organisational redesign process will help to ensure roles and responsibilities are clear as there will be a focus on PMs specifically for those teams who are directly PM serving below GE-1. However, further work is needed in ensuring the roles and responsibilities of the support teams and field teams are clearly documented and communicated to the PMs as well as the wider business; following this, POL should reassess and consider whether the support levels are sufficient to support the desired op model and outcomes <b>(G5)</b>. Detailed recommendations can be found within <b>sections 5-9</b>.</p>

## 2.10 Proactive Support to Postmasters

Theme	Summary of observations and recommendations
<p data-bbox="107 388 348 440"><b>9. Proactive Support to PMs</b></p>  <p data-bbox="107 683 348 878"><i>How does POL provide proactive support to Postmaster in relation to Branch Growth, Postmaster Training and Upskilling, and on-going customer support?</i></p>	<p data-bbox="380 391 464 412"><b>Context</b></p> <p data-bbox="380 418 1927 532">Part of the move towards putting PMs at the heart of the business should be around POL providing more proactive support to PMs to improve their branch performance - for example, supporting them in increasing sales of certain products, or improving elements of their customer service. With access to information on transactions and sales across a branch network of 11,500 branches, there is a huge potential to use this information to identify suggestions and improvements to support individual branches. This has the potential to have a significant positive impact on both PMs and POL.</p> <p data-bbox="380 565 541 586"><b>Current position</b></p> <p data-bbox="380 592 1927 646">At present, however, as set out in the detailed findings sections, there are several observations that demonstrate support levels are not consistent, or delivered in a way to maximise impact:</p> <ul data-bbox="380 683 1927 1089" style="list-style-type: none"> <li>• Despite the improvements in the last 18 months to the on boarding training process, PM training is still primarily focussed on products and common transactions with limited direct PM training around areas such as how to grow or improve business performance only provided to a limited number of branches. <b>(Ref ON5)</b></li> <li>• The Branch Insight Tool (BIT) pulls together all the back-office information on a branch and compiles it for ease of use by AMs. PMs do not have access to this tool and as such must request any information directly from the AM. Due to limited AM capacity, MI is usually only shared when they visit PMs, and therefore since Tier 3 branches are visited much less frequently (every 6 months) when compared to the tier 1 and tier 2 branches, there is less opportunity for them to receive relevant insight data. <b>(Ref BC4, BC7, BI8)</b></li> <li>• To date, there is no self-service function for PMs to access their branch MI, and as a result all MI must be requested directly through the AMs. This limits the ability of a PM to easily make informed decisions to grow their business and thus limits POL's ability to meet strategic objectives. <b>(See Section 2.4)</b></li> <li>• While AM job descriptions include a focus on supporting PMs to grow their business, the approach taken by AMs differs significantly. Of the AMs spoken to, not all were aware of this wider role but were focussed only on query and issue resolution. <b>(Ref BI8)</b></li> </ul> <p data-bbox="380 1122 1927 1175">It is also understood that in relation to training there are a number of improvements underway, and consideration of delivery methods is in progress to make training as flexible and innovative as possible <b>(ON27)</b>.</p> <p data-bbox="380 1208 562 1229"><b>Recommendations</b></p> <p data-bbox="380 1235 1927 1382">Recommendations with regards to specific findings are made in the detailed finding section of the report. In summary, POL should provide more consistent proactive support to their PMs to support them in building their businesses. This would include better access, utilisation and sharing of insights and MI <b>(See Section 2.4)</b>. Additionally, further training for PMs is needed which should be targeted to what would be the most valuable to them based on their input and feedback. Both points in relation to MI and training were incorporated into the hothousing programme which significantly grew branches and it is therefore recommended that the hothousing programme is restarted.</p> <p data-bbox="380 1414 1927 1468">Such proactive support in areas as diverse as customer services, managing teams, sales and marketing is typically seen in wider retail/franchise businesses and therefore could be positively leveraged in POL too.</p>



# Roadmap



## 3.1 Prioritised Roadmap

### Introduction to the Roadmap

The following pages set out our suggested roadmap for the implementation of the recommended actions identified. The roadmap groups of activities against different topic areas, which focus on questions about the Postmaster Journey from the PM and POL perspective as set out in the table on the right. Focussing on these questions is key in moving towards putting PMs at the heart of the business.

The required actions to address the recommendations made in this report have been organised into three 'lanes' to indicate the time period in which we believe the action should be completed. We have 58 findings, with recommendations relating to each divided into the following categories:

- **ASAP** - To be implemented as soon as possible, with completion by May 2021. Ahead of the submission of evidence for the inquiry<sup>1</sup>.
- **Short Term** - To be implemented in the short term, after the ASAP improvements, and by August 2021. Before the expected release date of the Inquiry<sup>1</sup> report.
- **Medium Term** - To be implemented over the course of FY21/22, with completion reached before March 2022.

Where recommendations are by their nature more complex and require a longer-term action, we have used an arrow box to indicate that they will remain a work in progress beyond March 2022.

There are several findings that need to be addressed over a longer time scale. These include some of the low-priority findings that are not expected to commence until the end of the roadmap activity as well as longer term improvements, such as the move away from the Horizon system and the implementation of a full IT and data strategy, which will continue beyond this period. Relevant 'owners' have been identified for each action, and group of actions, on the following basis:

- **Accountable Owner** – the individual (at GE level for Governance findings and GE-1 level for all others) with responsibility for ensuring that the action is completed.
- **Responsible Owner** – the individual who has functional responsibility for developing the solution and completing the action.

For each action, or set of actions, we have included a single accountable owner to ensure that there is clarity, even when activities may straddle more than one Business area. Having this single accountable owner is key to ensuring that the set of recommendations is addressed fully and to avoid issues 'falling between the cracks.'

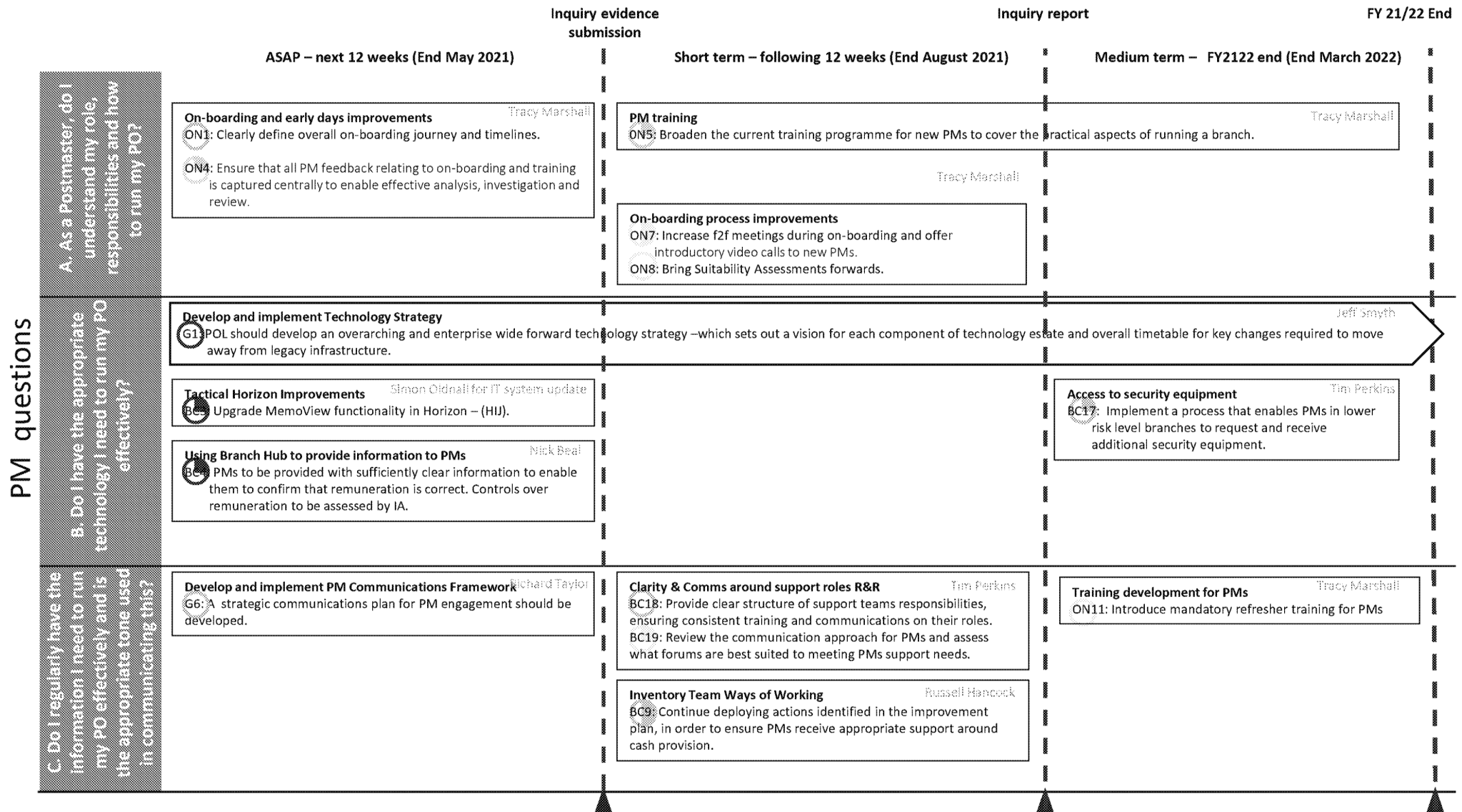
This roadmap has been developed to prioritise urgent and high-risk areas of activity around PM detriment. **This work did not take into account cost or resourcing implications and POL will need to consider these further in finalising implementation plans.** Meeting the timescales suggested will require investment and focus of the organisation both in the short term e.g., through the shifting of resources to urgent and high-priority areas, and over a sustained period to genuinely drive change, particularly given that some elements of this, particularly shifting culture and addressing the technology debt, will take time.

**Our Recommended actions** - The Roadmap includes recommended actions that have been identified by us as sensible ways to address the issue identified in the relevant finding. We recognise that when assessing the actions, Post Office Limited (POL) may identify an alternative approach to address the issue, to a similar or better level, and is within the spirit of the action identified by us – which is fine and to be expected in some instances.

**Guide to the roadmap** - the roadmap combines recommendations from multiple findings to address specific themes. Each box groups a cluster of actions that logically sit together and the position of the box indicates the period when the recommended action is expected to be completed. The circles provide an estimate of progress to date and the overall accountable owner for the activity within the box is shown in the top right. Some activities - including implementation of the IT and data strategy and embedding of culture changes will continue beyond the time period shown as indicated by the arrows.

Ref.	PM focussed questions
A.	Do I understand my role, responsibilities and how to run my Post Office (PO)?
B.	Do I have the appropriate technology I need to run my PO effectively?
C.	Do I regularly have the information I need to run my PO effectively and is the appropriate tone used in communicating this?
D.	Do I feel POL supports me to adequately run my PO?
E.	If I have an issue, am I clear who to contact and am I confident it will be resolved?
F.	When I stop being a PM, how do I end my relationship with POL?
Ref.	POL focussed questions
G.	How do we ensure that all of our people put PMs at the heart of our decision making and that they are supported to do this?
H.	How do we ensure that we are delivering satisfactorily for PMs?
I.	At POL, is technology used effectively to support our interactions with PMs?
J.	At POL, are we set up to support PMs in the most effective way?

## 3.1 Prioritised Roadmap (continued)

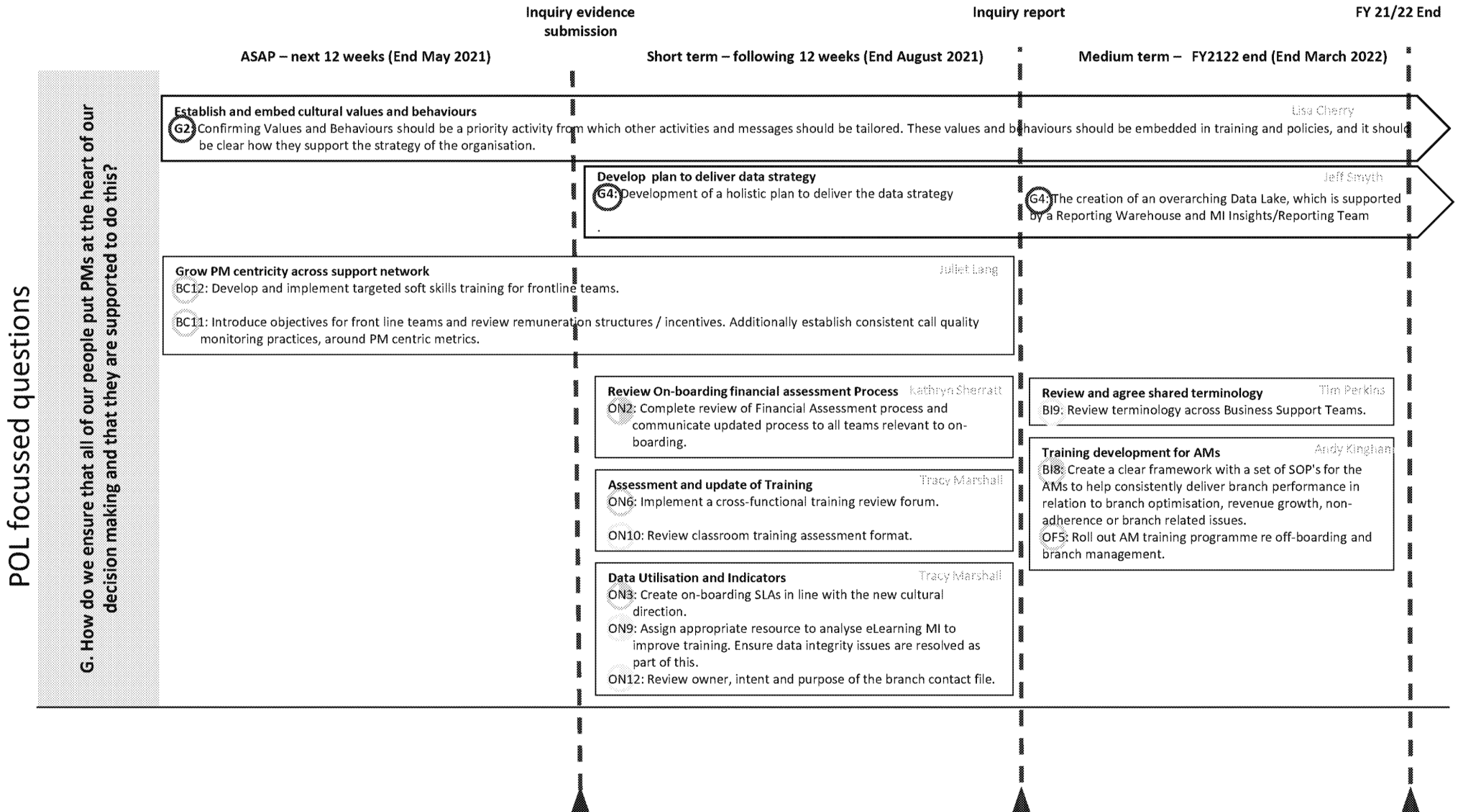


## 3.1 Prioritised Roadmap (continued)

		Inquiry evidence submission	Inquiry report	FY 21/22 End
		ASAP – next 12 weeks (End May 2021)	Short term – following 12 weeks (End August 2021)	Medium term – FY2122 end (End March 2022)
PM questions	D. Do I feel POL supports me to adequately run my PO?		<b>Frequency of PM Support</b> BC7: Continue to adjust the tiering system so that it is based on PM support-focused metrics. Consider transparently communicating the system to PMs.	<b>On-boarding performance metrics</b> QN4: Ensure there is a process to analyse and investigate PM Feedback survey results, and review existing processes to drive continual improvements to on-boarding and training. QN3: Update the performance metrics of the on-boarding team to include KPI's around quality, experience or satisfaction measures.
	E. If I have an issue, am I clear who to contact and am I confident it will be resolved?	<b>Implement appeals and escalation framework processes</b> QN2: Implement appeals policy for local and mains contracts (HIJ). OF2: Introduction objective independent PM & POL rep or panel to review termination and suspension decisions.		<b>Develop consistent process for loss reclamation</b> BC15: Agree a set of processes for recovering established losses, as per POL's vision and risk tolerance.
	F. When I stop being a PM, how do I end my relationship with POL?	<b>Assess detriment for ATM reconciliation</b> BC6: Assess PM detriment from ATM reconciliation issues identified by Bol and ensure that there is no further detriment to PMs.	<b>Improving dispute resolution processes</b> BC1: Agree and finalise the disputes resolution procedures and clearly communicate the dispute process to PM's. BC2: Agree and finalise the Complaints Handling policy and procedures. BC3: Develop SLA's for Issue Resolution related activities to ensure effective monitoring can take place.	
		<b>Cash supply and discrepancies</b> BC5: Implement SLAs around how long Post Office has to identify a cash discrepancy and how long a PM has to query it. BC4: Adjust the CCTV retention period, aligning to the investigation period.	<b>Exit interviews</b> OF4: Introduce process to conduct exit interviews with PMs.	
			<b>Recognising PMs for their service</b> OF6: Ensure that there is a process in place to thank all outgoing PMs.	



## 3.1 Prioritised Roadmap (continued)



## 3.1 Prioritised Roadmap (continued)

Inquiry evidence  
submission

Inquiry report

FY 21/22 End

ASAP – next 12 weeks (End May 2021)

Short term – following 12 weeks (End August 2021)

Medium term – FY2122 end (End March 2022)

H. How do we ensure that we are  
delivering satisfactorily for PMs?

### Branch performance

Andy Kingham

- BI8: Create branch performance management framework.
- BI7: Assess what contractual information should be made available to AMs to allow them to understand and identify what might constitute a breach of contract.
- OF3: Introduce early warning alerts to BIT to flag issues to AMs.

### Establish PM governance forum

Amanda Jones

- G4: Establish an overarching forum focused on PM risk management, PM performance and issues oversight management with clear accountability assigned. Establish and define key metrics and thresholds for tracking and prioritising actions.

### Establish Continuous improvement processes

Tracy Marshall

- G7: A continuous improvement mechanism should be visible and available,

### PM reporting

Nick Beale

- B4: Complete Internal Audit recommendations on PM reporting.

### Feedback on the resolution of issues

Tim Perkins

- BI11: Formal feedback avenues for PMs to be integrated within service provision processes.

### Third party data

Rob Wilkins

- BC16: Review current end-to-end approaches to managing the integrity of third-party data, including areas where errors could lead to financial loss for PMs.

I. At POL, is technology used effectively  
to gather all the information needed to  
enhance our interactions with PMs?

### Resolving historic system control issues

- BI1: Investigate and quantify the maintained error limit issue.
- BI2: Remove the £150 'settle centrally' limit.

- Resolve maintained error limit issue, including any disclosure and reporting requirements
- Review end to end settlement and transaction processes

### Assess Stock entry processes

Russell Hancock

- BC14: Assess the stock entry process with a new process and / or system implemented that allows automated, barcode based replenishment, to reduce the need to enter stock codes manually.

### Improve cash forecasting process

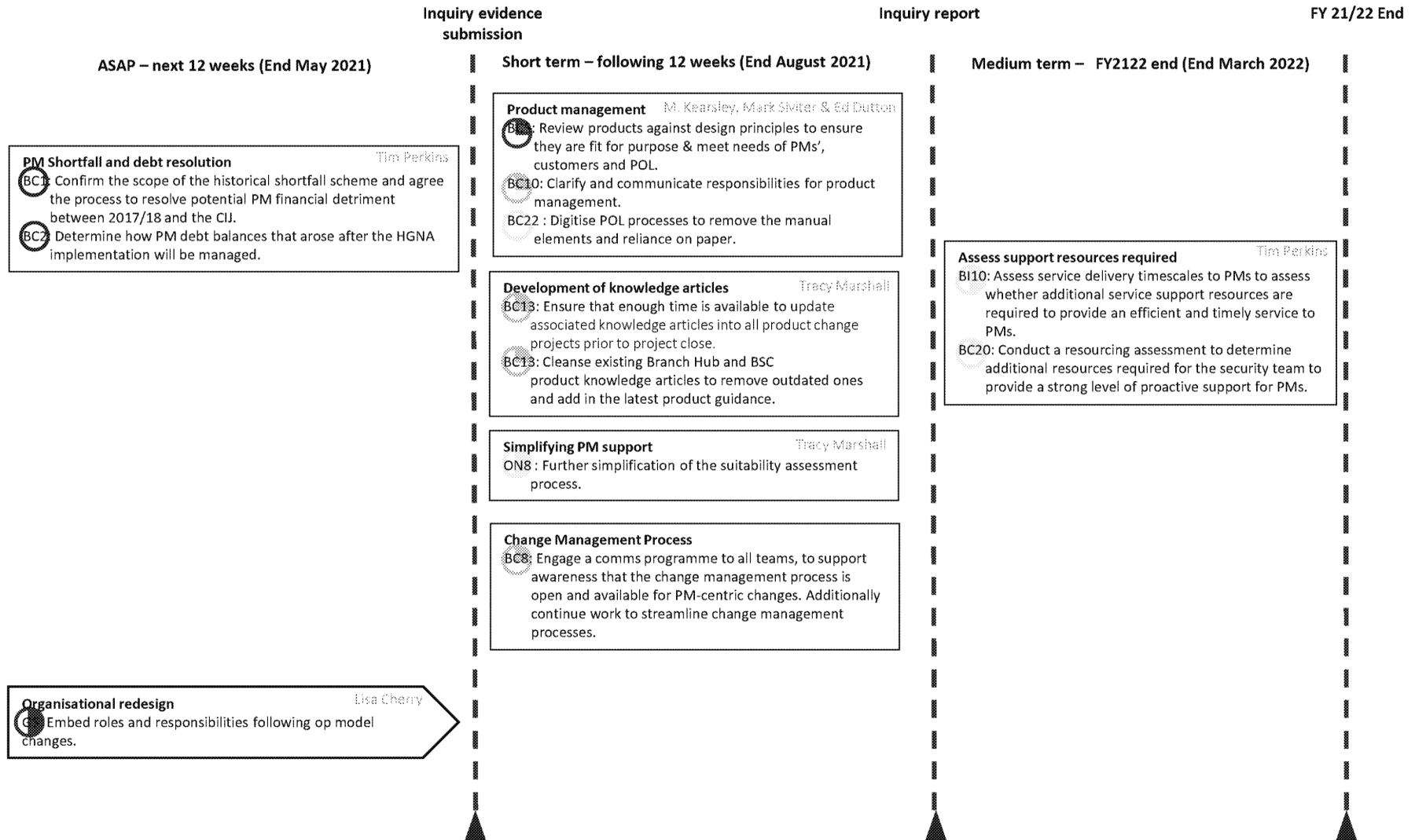
Russell Hancock

- BC21: Consider use of a more sophisticated cash forecasting tool to replace the Excel spreadsheet that is currently used to perform forecasting.

## 3.1 Prioritised Roadmap (continued)

POL focussed questions

J. At POL, are we set up to support PMs in the most effective way?

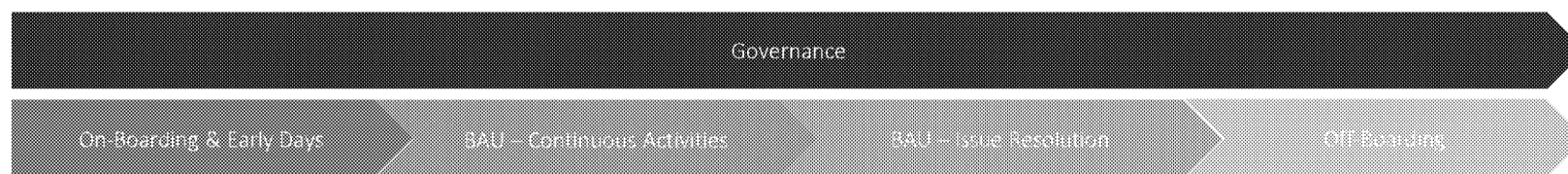




# Detailed Findings

## 4.1 Detailed Findings - Overview

Sections 5 to 9 of this report outline the detailed findings across our five work streams. This begins with governance and then considers each of the four stages of the PM journey:



Each section is structured accordingly:

1. **Overview** – includes a high-level narrative of the activities involved in each stage of the PM journey, including a summary of all improvements made, planned and / or in progress by management. We also provide a summary of findings identified from this Project, mapped against the rating methodology as defined in Appendix B.
2. **Improvements Identified** – each improvement opportunity / finding has been rated in accordance with our view of PM detriment or experience, based on the definitions outlined in Appendix B. Our recommendations are suggested actions for consideration by POL Management only, and there may be alternative ways to address the findings identified. For each finding, we have set out:
  - Reference No. – each finding has been assigned a prefix based on the work stream it relates to. For example, On-Boarding and Early Days is prefixed with 'ON', BAU – Continuous Activities is prefixed with 'BC'. Each finding then appears in numerical order starting with 1.
  - Recommendations – each recommendation appears in the prioritised roadmap for POL (refer to **Section 2** of this Report). The Reference No's have been used to cross-reference the activities in the roadmap against the findings and recommendations in the following sections of this Report.
  - Responsible – we have included POL responsible action owners based on who is currently responsible for the processes or activities raised in the recommendations. In most instances, this has been validated with, or nominated by, the POL accountable person. There may be additional responsible owners than whom we have identified, and it will be up to the accountable action owners to identify this. Whilst these names may be current at the time of this report, this is subject to change based on the organisational structure and roles and responsibilities of these individuals when these recommendations are addressed.
  - Accountable – at GE-1 level, with the exception of Governance Findings which have been assigned GE sponsorship given the size and nature of these findings. Whilst there is typically only one accountable owner for each finding, there are some findings that have multiple accountable owners. For example, finding ref **BC5** has multiple GE-1 accountable product owners.
  - Progress and Estimated Completion Date – Harvey Balls have been used to indicate management's progress towards addressing our findings and recommendations. We have also included a suggested completion date for our recommendations, which maps against the suggested completion dates in the roadmap in **Section 2** of this report.
3. **Improvements Noted** – this is a summary of improvements made by management in the past 12-18 months in line with the strategic aim of putting PMs at the heart of the POL Business. We obtained this information through anecdotal evidence from stakeholder workshops only. We did not verify the timing of improvements made, nor did we assess the design or effectiveness of such changes.



## 4.1 Detailed Findings – Overview (continued)

The following table sets out the total number of findings identified from this project (by rating) and management's progress towards addressing these. This table does not include findings identified from other projects (for example Norton Rose or KPMG work) as outlined on page 7. Therefore, in addition to the 58 findings below, POL should, as a matter of high-priority, complete the CIJ actions as agreed with Norton Rose and the HIG actions as agreed with KPMG.

Rating	Planned or In Progress	Not Yet Started	Total
Urgent-Priority	4	2	6
High-Priority	11	2	13
Medium-Priority	17	9	26
Low-Priority	8	5	13
<b>Total</b>	<b>40</b>	<b>18</b>	<b>58</b>



## 5.1 Governance: Overview

### High-level Overview

This section encompasses our broader observations that have arisen across holistic areas such as:

- Organisation design;
- Roles and responsibilities;
- Communication;
- Culture;
- Data;
- Technology;
- Risk management; and
- Governance

These areas all underpin the day to day operational business activities and are therefore fundamental in supporting and driving the shift towards a PM centric business, and ensuring the focus is on the PM. Each of these areas plays a role in the end-to-end PM Journey and the support they receive, as well as the support that the POL teams require to deliver on their PM centric objectives.

Specific observations on particular stages in the PM journey are outlined in **sections 5-9**. However, there are additionally some general overarching observations which are outlined in this section.

The following table sets out the number of findings or improvements identified by risk rating:

Rating	Planned or In Progress	Not Yet Started	Total
Urgent-Priority	0	0	0
High-Priority	4	1	5
Medium-Priority	0	2	2
Low-Priority	0	0	0
<b>Total</b>	<b>4</b>	<b>3</b>	<b>7</b>

## 5.1 Governance: Overview

### Summary of improvements to date

A number of change initiatives are underway in some of these broader areas, such as the *Driving Postmaster Centricity* cultural workstream, which includes activities that have commenced in respect of cultural understanding such as listening groups, and commencing the articulation of desired values and behaviours.

From a governance perspective, a *Voice of the Postmaster* forum has also recently been created, which meets on a monthly basis and reviews PM Insights gathered and a selection of Postmaster metrics on a dashboard. There is also ongoing work in respect of identifying risks that have an impact on PMs, which will allow greater insights into areas that may require additional mitigating activities if the activities are outside of risk appetite thresholds.

There has also been a notable shift in communications with PMs, with better targeted communications for PMs being developed, and listening initiatives to open up conversations between POL and PMs on a more regular basis.

See **Section 5.3** for further details of improvements noted.


### Summary of further improvements identified

We have outlined five high-priority improvements and two medium priority improvements across these overarching areas. The high-priority findings are summarised below, with full details and recommended actions provided in the following section:

- 1. Complex System Landscape making single view of PM challenging (G1):** There are a number of different systems in use for processing and recording interaction with PMs. Multiple systems are in use by different teams, and a combination of these systems are required to paint a holistic view of a PM at any one time.
- 2. Values and Behaviours not yet embedded across Organisation (G2):** POL values, ways of working, and leadership behaviours, which will support the purpose and cultural change desired, have not yet been identified and articulated. These are not being approved and agreed by the GE until at least mid-March.
- 3. No Overarching PM focused Governance forum (G3):** There has been no overarching mechanism in place for review of POL performance in providing services to PMs or a governance forum to help oversee and drive required PM related decisions and actions through to completion.
- 4. Lack of a plan to deliver against the high-level data strategy (G4):** There is no detailed plan for activity behind the high-level data strategy or agreed funding and resourcing to take forward activity around MI, data utilisation and optimisation.
- 5. Insufficient clarity on POL roles and responsibilities (G5):** In line with the current organisational redesign work underway, it is essential that roles and responsibilities and expectations of those roles are embedded throughout the organisation as these changes take place.


The medium priority improvements relate to a lack of an overall communication strategy **(G6)** and the need for a well managed, clear feedback mechanism to support continuous improvement and suggestions from PMs **(G7)**.

## 5.2 Governance: Improvements Identified

High-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
G1	<p><b>Complex System Landscape making single view of PM challenging</b></p> <p>There are a number of different systems in use for processing and recording interaction with PMs, as set out in the diagram shown in Appendix G. Multiple systems are in use by different teams, and a combination of these systems are required to paint a holistic view of a PM at any one time. The systems in use often do not ‘speak’ to each other.</p> <p>This lack of an overall picture results in a siloed approach to working and the provision of disjointed support to PMs, with customer support teams not having visibility of previous issues / or queries raised. This results in a risk of duplication, time wasted or the wrong interventions and/or decisions being made due to incomplete information. There is a risk of detriment if a PM raises a dispute that is not effectively dealt with if multiple teams on different systems are involved.</p> <p>There has been some consideration to date of systems landscape and mapping, but this is in the early stages.</p>	<ol style="list-style-type: none"> <li>1. In the short term, a detailed review of systems should be performed to understand where there could be better integration. Management should work with POL IT to identify which technology solutions will best meet the business needs and outline requirements.</li> <li>2. Perform additional systems training to ensure that systems are being used as effectively as possible, e.g., on Dynamics, to ensure joined up across Business Support and other PM facing teams.</li> <li>3. In parallel, POL should develop an overarching and enterprise-wide forward technology strategy, which sets out a vision for each component of technology estate and overall timetable for key changes required to move away from legacy infrastructure.</li> </ol> <p>As part of this strategy there should be a clear view, which should be developed in conjunction with the rest of the business, on some critical elements including:</p> <ul style="list-style-type: none"> <li>• Clarity on standard operating procedures and processes which should be supported by technology.</li> <li>• Is a single customer view the goal? What is the optimal way to achieve this?</li> <li>• How can POL systems provide a support PM with all the details needed to provide the support in one place:, such as cash and stock management requirements, transaction data, onboarding processes, and transaction corrections?</li> <li>• What information would be self service for PMs? How does this link to PM requirements/capability/training?</li> <li>• The extent to which POL continues to rely on 3rd parties vs development internal capability for systems changes and upgrades.</li> </ul> <ol style="list-style-type: none"> <li>4. Longer term activities would then involve architectural improvements to the underlying systems required in line with POL’s technology strategy.</li> </ol>	<p>Responsibilities for requirements will sit across different business areas:</p> <p>Gary Walker, Simon Oldhall, Tracy Marshall, Andy Kingham, Tim Perkins, Russell Hancock, Henk van Hulle</p>	<p>Jeff Smyth</p>	<p>1, 2, 3: Short term – following 12 weeks (End August 2021)</p> 



## 5.2 Governance: Improvements Identified


High-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
G2	<p><b>Values and Behaviours not yet embedded across Organisation</b></p> <p>The desired cultural shift towards putting the PM at the heart the business has not been consistently embedded across POL. POL values, ways of working, and behaviours (which will support the cultural change desired) have not yet been identified and will not be approved and agreed by the GE until Q1/Q2 2021.</p> <p>Whilst there are already activities being undertaken through the culture workstream (such as Roadshows and Adopt an Area initiatives), until high-level values are defined, such activities will not be able to consistently reinforce the POL vision. Continued and regular communication must be conducted to reinforce values and behaviours desired, once these have been established.</p> <p>Significant effort has been made to improve cultural engagement over recent months, and the initiatives are similar to what other organisations have had in place, such as townhall meetings, job twinning etc. Specific improvements are:</p> <ul style="list-style-type: none"> <li>Engagement events (prior to COVID), consisting of small groups of invited PMs and executive and senior POL colleagues, as well as regional listening groups hosted by AMs. A survey was issued in April 2020 to understand what Post Office could do to help PMs during COVID. There were also 'We're Stronger Together' events in July 2020 across nine regions and POL has subsequently published 'you said, we did' feedback.</li> <li>A Driving Postmaster Centricity culture workstream was commenced in January 2021 and will run to July. This will support deliverables aimed at developing value led behaviours in line with POL's ambition to be PM centric. Currently, some activities had commenced, including an "Adopt an Area" activity aimed at encouraging SLG members to meet with AMs to listen to PM feedback. Key themes arising from this activity will be fed into the new Voice of the PM forum (discussed in the Governance section), and into discussions with the GE in March 2021, on key priority areas to focus improvement efforts on. There is also an org-wide Pulse Survey this year, which has included a number of new questions to gain insights from colleagues on satisfaction, strategic engagement, values and leadership and to act as a baseline for further improvements.</li> <li>Listening groups were also commenced in February, to gain insight from PMs to help drive the design of the POL new values, ways of working and leadership behaviours that will support the POL purpose and the culture changes required. The results of the initial listening groups are expected in March 2021, with a review of the results and definition the subsequent values and behaviours expected to be agreed with the GE in April 2021. This will trigger further activities to embed these agreed ways of working, through a formal launch of the values and behaviours via the "We are Post Office" campaign. A Week in the Life of a PM is a further activity designed to provide support function colleagues with an immersive experience to see what it is like for a PM running their own business.</li> </ul>	<p>1. Confirming Values and Behaviours should be a priority activity from which other activities and messages should be tailored. These values and behaviours should be embedded in training and policies, and it should be clear how they support the strategy of the organisation. The planned activities should happen in tandem with wider org. redesign changes so that messaging and the right audience are targeted at the appropriate time. There also should be continued liaison with the Communications team to share the desired values and behaviours in a co-ordinated approach.</p> <p>Key cultural aspects for POL to ensure are focused on throughout the planned activities are:</p> <ul style="list-style-type: none"> <li>Being clear about purpose, values, and aligning purpose and values into the business model and strategy.</li> <li>Defining what PM-centric really means on a day to day basis, and how this can be measured and assessed.</li> <li>Delivering a clear tone from the top in embodying the purpose and values, promoting a positive workplace culture.</li> <li>Using the purpose and agreed values for decision making and focusing on key priorities.</li> <li>Communicating and motivating colleagues to exhibit the desired behaviours.</li> <li>Having a mechanism in place to measure whether the desired culture is being achieved, to ensure that progress is being made.</li> <li>Acting on feedback received through cultural surveys e. the Pulse Survey which is currently underway will be really insightful and includes cultural questions for the first time, so it will be key to review the results and adjust culture workstream activities as required.</li> <li>Consider other data sources to evaluate the culture, such as turnover, sickness, community impact, quality of service etc.</li> </ul> <p>2) Specific and regular communication on values and culture is required to embed the PM centric focus across the whole organisation to ensure the cultural shift becomes part of the norm for all POL colleagues in all roles.</p>	<p>1) Juliet Lang, Daisy Joje, Stephen O'Reilly</p> <p>2) Richard Taylor</p>	Lisa Cherry	<p>ASAP – next 12 weeks (End May 2021 – Long Term</p> 

## 5.2 Governance: Improvements Identified

High-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
G3	<p><b>No Overarching PM focused Governance forum</b></p> <p>To date, there has been no overarching mechanism in place to review POL performance in providing services to PMs, nor a governance forum to help oversee and drive required PM related decisions and actions to completion. This lack of visibility has manifested throughout POL and resulted in a disparate and non-cohesive way of working with PMs and a lack of focus on the issues that matter most to PMs. None of the existing forums consider all the required elements of a cohesive risk-driven BAU committee, which we believe is required to oversee and govern the progress required in order to place PMs at the heart of the business. Each current group has a specific remit for a specific purpose, but there are several aspects that are not being captured by the current groups.</p> <p>Additionally, there is no mechanism in place to shift attention onto emerging risks that may require more focus or are operating outside of risk appetite as the risk management framework in place does not allow these to be identified currently or discussed in an appropriate governance forum.</p> <p>The current MI and reporting in place does not provide clear insights into how POL's strategy is performing, or a clear view on branch performance or conformance insights through the KPI's currently in place, to ensure that POL is achieving the outcomes it desires, and there is no forum for this information to be reviewed within.</p> <p>There is also an existing Risk and Compliance Committee (RCC) which is in place and meets six times a year prior to Audit Committee meetings. The ToR for this group is specific to broader Risk and Compliance topics, and in discussion with management was not considered the appropriate forum to address all the required risks and reporting metrics recommended.</p> <p>Progress to date is outlined on the next slide.</p>	<p>Use the Voice of the PM forum to review the collated PM Insights in the short term, to understand priorities and other MI that may be required, whilst establishing an overarching governance forum/committee to sit on a Quarterly basis that achieves the following:</p> <ul style="list-style-type: none"> <li>Understands all the risks associated with PM across the POL and the controls in place to mitigate these risks</li> <li>Sets clear risk appetite for each area of risk and therefore can prioritise mitigating activities</li> <li>Identify and set out assurance requirements across the 3 Lines of Defence over the key risks</li> <li>Has an agreed mechanism for prioritising activity onto the key areas of risk across the organisation</li> <li>Establishes key PM metrics that require tracking and establish thresholds/ risk appetite for these metrics</li> <li>Receives relevant MI on key agreed metrics that align to key areas of risk identified</li> <li>Receives regular input from AMs and field teams on issues across the network</li> <li>Reviews MI in relation to branch performance at a product level, (including for instance transaction corrections)</li> <li>Has the authority to review points routed through for escalation and make decisions and resolutions e.g. appeals or discrepancies that require resolution</li> <li>Has a mechanism for identifying emerging trends and issues, using risk indicators from the key metrics</li> <li>Agreeing required actions based on any emerging trends/ MI and who is accountable for these actions</li> <li>Is able to clearly measure against agreed targets and objectives</li> <li>Hold relevant individuals to account for any actions deemed necessary and track actions through to completion; and</li> <li>Responds to feedback received through feedback channels, and has the ability to action change requests up to a certain magnitude.</li> </ul> <p>b) The following principles and elements should be considered to support the governance forum which should include:</p> <ul style="list-style-type: none"> <li>Consideration of who the Chair of the forum should be. This individual should be senior enough to hold others to account, for instance a GE member, GE-1 member or the Chief Risk Officer.</li> <li>Consideration of attendees by role and responsibility e.g. COO, Head of PM Engagement, CRO etc. and also representation from AM and field teams</li> <li>Frequency of the forum: e.g. monthly or quarterly. Who the secretariat should be</li> <li>Ensuring there are Agendas, pre-reads, action tracking, and that each meeting is formal and minuted.</li> </ul> <p>Consideration of alignment and interaction with other governing bodies within POL should also occur.</p>	Gareth Clark, Mark Baldock	Amanda Jones	Short term – following 12 weeks (End August 2021)



## 5.2 Governance: Improvements Identified

High-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
G3 cont'd	<p><b>No Overarching PM focused Governance forum (cont'd)</b></p> <p>Progress to date has included:</p> <p><b>Risk management</b> activities are underway to help ensure that the impact on PMs has been clearly articulated across the group risk registers. The aim is then to have these risks approved by the May Audit Committee and loaded into the GRC tool. PM risks should then be identified easily and able to be reviewed as required. Risk appetite is similarly being reviewed at present and articulated, so that it will be possible to see the risks where POL are operating within or outside of desired risk appetite. This is underway for both legal risk appetite, and shortly for operational risk appetite. A number of activities and groups have recently been established to support the transition to being more PM centric focussed and to provide some overarching visibility of the key matters that require addressing.</p> <p><b>Voice of the Postmaster (VPM)</b></p> <p>The Voice of the PM is a forum set up in early February 2021, the purpose of which is to understand PMs feedback and complaints and measure how effectively root causes are being remediated. The objectives of this group are to:</p> <ul style="list-style-type: none"> <li>• Measure how effectively the areas that matter most to PMs are being improved, e.g. the most frequently occurring issues</li> <li>• Incentivise by making connection between cause and effect. Identifying trends and prioritising actions to resolve issues.</li> <li>• Leadership through cross-functional alignment on priorities and accountabilities</li> <li>• Communicate to PMs and colleagues using Voice of the PM Insights</li> </ul> <p>This forum will meet on a monthly basis and will review PM Insights, received through activities such as Adopt an Area, and will also review a number of PM metrics that are being developed. These include complaints data, Going forwards, if there are new insights then additional metrics will be considered and data gathered where these would be useful to get further understanding of the insights that are arising. This forum has had one formal meeting (at the time of writing). Actions will be agreed at each meeting with accountable individuals tasked with completing these by agreed due dates set out in the action log after each meeting.</p> <p><b>Improvement Delivery Council /Group (IDG)</b></p> <p>The IDG has recently been set up and had its first meeting on 12th February 2021. The aim of this group is to ensure there is a clear set of workplans and action tracking to provide confidence that the historical POL issues are being tracked and remediated. This group has representatives from Supply Chain, Inquiry process and Legal Compliance, PM Team and Culture, IT and Network Teams. This is a weekly meeting where the agenda focuses on four lists of required actions relating to Supply Chain, IT, PM and Network and these are consolidated on a weekly basis. This Group is designed to be a short term forum for a 16 week period to track the required actions through to completion within this timeframe and is not designed to be a BAU group going forwards.</p>	Gareth Clark, Mark Baldock	Amanda Jones	Short term – following 12 weeks (End August 2021)	




## 5.2 Governance: Improvements Identified


High-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
G4	<p><b>Lack of a detailed plan to implement the high-level Data Strategy</b></p> <p>POL's data strategy was presented to and agreed by GE in October 2020. However, there is no detailed plan for activity behind this nor has funding or resourcing been agreed to move this forward. Without this in place, POL is limited in its ability to apply data to improve products and service, its ability to use telemetry to enhance the PM and customer experience, and its ability to use data across business operations to improve performance and support data-driven decisions.</p> <p>As noted in G1, there is no single MI view of a branch and all the interactions with them. This limits the ability to have a clear view of insights that can be used to enhance the PM experience. BIT tool provides lots of information and is used by AMs, but MI and data is still limited. Area Teams can view what central teams action, whilst the central teams cannot view what the Area Team are doing. It is therefore difficult to understand what the key issues are, plus develop an understanding of emerging risks, large scale problems. (see POL IA Review: PM Reporting)</p>	<p>Further detail to deliver against the data strategy should be developed, including details of approach, priorities, timings, budget and resources needed – with priorities aligned to the needs of PMs and the business in supporting them. Funding should then be sought through the change investment process.</p> <p>We recommend that MI should be divided into three MI reporting tranches, namely:</p> <ul style="list-style-type: none"> <li>• Governance Forums MI;</li> <li>• Operational POL BAU MI; and</li> <li>• PM MI.</li> </ul> <p><b>In the short term</b>, focus should be on incremental improvements to what is in place, and making better use of the MI available at present, this can be done through:</p> <ul style="list-style-type: none"> <li>• Creating a plan to deliver against data strategy using the guiding data principles outlined in Appendix G to support both POL and PMs in leveraging data. This strategy should support the use of data to: <ul style="list-style-type: none"> <li>• innovate products and services;</li> <li>• use telemetry to enhance and improve the PM and customer experience; and</li> <li>• apply data across business operations to improve overall performance in POL, using insights to support data-led decisions.</li> </ul> </li> <li>• KPIs, KRIs and SLAs should be developed that align to both the strategy and the developing POL risk appetite thresholds. As part of this base line metric positions should be considered, together with clear performance and conformance indicators that can quickly and easily articulate insights and strategy execution. In addition, early warning indicators should be created alongside KPI's and applied.</li> <li>• We recommend that POL review what types of insights and metrics are required to support better insights. We have included in Appendix G a list of potential MI metrics that should be considered.</li> </ul> <p><b>In the longer-term</b>, consideration should be given to:</p> <ul style="list-style-type: none"> <li>• The implementation of the data strategy</li> <li>• The potential creation of an overarching Data Lake, which is supported by a Reporting Warehouse and MI Insights/Reporting Team.</li> <li>• POL should consider the benefits of implementing a Self-Service MI Function through existing tools such as Branch Hub which can be linked to the reporting warehouse.</li> </ul>	Rob Wilkins Ruk Shah	Jeff Smith	Short term – following 12 weeks (End August 2021)



## 5.2 Governance: Improvements Identified


High-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
G5	<p><b>Insufficient clarity on POL roles and responsibilities</b></p> <p>Our review has highlighted the complexity of the current POL organisation and an overall lack of clarity between teams on roles and responsibilities, which undermines a cohesive approach across the PM journey. The organisation redesign work in progress seeks to remediate this but there will need to be complete clarity in order for the changes to be successfully embedded across the organisation and drive improvements.</p> <p>However, further work is needed in ensuring the roles and responsibilities of the support teams and field teams are clearly documented and communicated to the PMs as well as the wider business.</p>	<ul style="list-style-type: none"><li>POL roles and responsibilities should be clearly set out, agreed and documented, before being communicated clearly to all relevant teams and PMs.</li><li>POL should subsequently assess whether current resource, support and skills levels are sufficient to support the proposed operating model.</li><li>Consistent monitoring and supporting activity should be in place to embed the new op model over the subsequent 5-6 months.</li></ul>	Daisie Jope	Lisa Cherry	<p>ASAP – next 12 weeks</p> 

## 5.2 Governance: Improvements Identified

Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
G6	<p><b>Lack of an overarching communications framework</b></p> <p>Effective communications between POL and PMs is key to developing and sustaining effective working relationships.</p> <p>At present, there is no overarching communication framework resulting in a lack of clarity on roles and responsibilities, the communications channels in place, and the formal processes open to make communications.</p>	<p>A strategic communications framework for PM engagement should be developed. The framework would need to include the following:</p> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>Executive sponsor; POL owner; delivery teams and roles, budget and PM insights</li> <li>A review of research, including branch correspondence review, surveys and finding from 'listening exercises' to understand communications requirements, concerns or challenges and including specific needs of different PM types including for strategic partnerships.</li> <li>An 'audit' of communications channels used and PM-POL relationship matrix (assessing who is talking to whom, through medium and utilising which information).</li> </ul> <p><b>Objective and Strategy:</b></p> <ul style="list-style-type: none"> <li>A formulation of communications goals and strategy covering both strategic and operational/change communications</li> <li>Definition of tone of voice, language, and information-required.</li> </ul> <p><b>Campaign planning:</b></p> <ul style="list-style-type: none"> <li>Setting out a formalised rhythm and/or forward-looking plan to communicate with PMs.</li> <li>Formalised process should be created to share key information, including announcements, messages and strategic shifts to auxiliary communications functions, including AMs and Contact Centre.</li> </ul> <p><b>Measurement</b></p> <ul style="list-style-type: none"> <li>Measurements and tracking tools should be implemented as required to measure progress and define success.</li> </ul> <p><b>Landscape analysis</b></p> <ul style="list-style-type: none"> <li>An understanding should be developed of the dependencies this strategy has on other parts of POL's change programme.</li> </ul> <p><b>Guides</b></p> <ul style="list-style-type: none"> <li>Updated style guides and templates for communications led by professional from a communications background.</li> </ul> <p>Best practice would be to develop an overarching framework to a) understand what success looks like; b) measure that success; c) better coordinate; d) manage and fix issues; and e) identify risks associated with the planned activities.</p>	Rina Patel Alice Cookson Tracy Marshall	Richard Taylor	<p>ASAP – next 12 weeks (End May 2021 - Short term – following 12 weeks (End August 2021)</p> 



## 5.2 Governance: Improvements Identified

Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
G7	<p><b>Continuous improvement and feedback mechanisms</b></p> <p>POL has not historically had a culture which encouraged transparent feedback or continuous improvement activities. Such practices form key parts of an effective governance framework and should function to support continual learning and process improvement. As such, there has been a lack of clarity over the channels by which PMs and front line support teams should provide their feedback. This lack of a continuous improvement in POL's culture can impact on morale, and also reduces the ability of the organisation to assess and respond to valid feedback that may be gained from those in operational roles.</p>	<p>A continuous improvement mechanism should be visible and available to all colleagues and PMs, so that feedback and improvement suggestions from all colleagues and PMs are considered, triaged and addressed in an appropriate forum (see Governance theme for more details).</p> <p>There should be clear guidance on how these routes should work and what the channels are for raising suggestions and comments, to address the issues raised regarding knowledge of how and where to raise feedback. Actions taken should then be fed back and communicated in response. Continuous improvement suggestions could be funded through a small funding budget which is owned and managed by the suggested new governance forum for example.</p> <p>POL should also incorporate a channel for PMs to provide feedback on specific change initiatives and proposed business cases, to obtain their views, so that the focus of improvements always incorporates a PM focus.</p>	Katrina Holmes	Tracy Marshall	<p>Short term – following 12 weeks (End August 2021)</p> 

## 6.1 On-Boarding & Early Days: Overview

### High-level Overview

On-Boarding and Early Days covers four key areas of the PM journey:



- 1. Attract & Appoint** – Potential new PMs are typically attracted via face-to-face interactions with NPLs, who are responsible for maintaining service across the Post Office network, or via commercial transfers from one PM to another.
- 2. On-Boarding** – Managed by Support Advisors who are the key point of contact for new PMs, on-boarding includes the Financial Assessment, Suitability Assessment, SMART ID, vetting, Fit and Proper and contracting processes.
- 3. Training** – Based on the branch type (e.g. mains vs locals), this involves between 14-18 hours of online eLearning covering products, services and compliance. This is followed by 2-3 days of face-to-face classroom training with QATLs to cover Horizon online training, and learn about transactions, processes, products and services. After go-live, PMs can access additional eLearning and classroom courses on topics such as ATM, Lottery and Investigating Discrepancies, and access further distance learning packs on common products and services.
- 4. ‘Early days’ support** – BSMs are responsible for providing intensive early days support to new PMs, typically for the first 6-9 months before being handed over to the AMs. From branch go-live, an on-site trainer is scheduled for the first six days to help with branch set up, on-site training and completing a trading period balance. An Operational Training Guide (containing operational instructions on common transactions) and A5 laminated work aids are also available to support new PMs. BSMs will then provide on-going support to new PMs where required; for example, BSMs can arrange for further on-site training (called Interventions) to be conducted where needed.

## 6.1 On-Boarding & Early Days: Overview (continued)

### High-level Overview (continued)

The overall on-boarding journey is currently 6-9 months long, including 12 weeks build time. The following table sets out the number of findings or improvements identified by risk rating:

Rating	Planned or In Progress	Not Yet Started	Total
Urgent-Priority	0	0	0
High-Priority	0	0	0
Medium-Priority	5	1	6
Low-Priority	3	3	6
<b>Total</b>	<b>8</b>	<b>4</b>	<b>12</b>

### Summary of Improvements To Date

Over the past 18 months, significant improvements have been made to enhance the PM experience. In on-boarding, the Support Advisor role has meant PMs have one key point of contact compared with multiple different individuals previously (see ref **ON14**). Some improvements have already been made to the Financial Assessment process (see ref **ON15**), however, further improvements are still being made and are required (per ref **ON2**) in this area. Suitability assessments are now conducted by the BSMs to identify if a potential new PM is suitable for the role. The tone and approach of these sustainability assessments is now a lot more welcoming and friendly compared with the structure and nature of the assessments formerly conducted by the On-Boarding and Assessment Managers (see ref **ON16**). Management have planned further improvements to on-boarding with an ambition to reduce on-boarding timelines, currently from six to nine months down to four months by the end of 2021 (see ref **ON1**).

Since August 2019, a full review of PM training has been performed and significant changes made to eLearning and classroom content. In particular, additional eLearning and classroom courses have been introduced for complex / common problem area topics such as ATM, Lottery, Monthly Balancing and Investigating Discrepancies (see ref **ON19**). Two additional Portable Horizon Units ('PHU') have been introduced so that classroom training facilities can be brought to new PMs (particularly in rural areas), which eliminates the need for PMs to travel long distances to training facilities (see ref **ON21**). There are now a total of three PHUs. Looking forwards, Management are currently working on ways to digitise training to encourage PM uptake and improve learning (see ref **ON11**).

In terms of early days support, since November 2020, BSMs and on-site trainers are now part of the Franchise Partnering Team alongside AMs (previously part of On-Boarding). This has helped to improve the communication and ways of working between PM-facing teams responsible for early days support (see ref **ON13**).

See **Section 6.3** for further details of improvements noted.



## 6.1 On-Boarding & Early Days: Overview (continued)

### Summary of Further Improvements Identified

For On-Boarding and Early Days, we have identified **six medium** and **six low-priority** improvement opportunities to further enhance the PM experience. Four out of the six medium findings relate to on-boarding – namely, ensuring clear and upfront communications with potential new PMs around on-boarding processes and timelines (which although improved, are still considered lengthy and require a lot of information and input from the PM) (**ON1**); further work to review and improve the financial assessment process (**ON2**); review of current on-boarding SLAs which are very timeline driven rather than focused on PM experience or satisfaction measures (**ON3**); and ensuring PM feedback is captured centrally and reviewed periodically for ongoing future improvements in this area (**ON4**). Two further medium priority findings relate to training, specifically to broaden the current training content which is currently focused on common products and transactions (**ON5**), and implementing a cross-functional feedback loop to review and improve the training process and experience for new PMs (**ON6**).



Six low-priority improvements have been identified, where it would be beneficial to make these changes to improve the PM experience. Management are aware of all of these improvement opportunities and will consider our suggested recommendations to address.

Refer to **Section 6.2** for a full list of findings identified.

## 6.2 On-Boarding & Early Days: Improvements Identified


Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
ON1	<p><b>Upfront On-Boarding Communications</b></p> <p>There is no clear documentation or communications to inform new PMs upfront of end-to-end on-boarding timeframes, common challenges faced, any delays or changes to the process, or on the nature of training commitments which would help inform and manage PM expectations from the outset.</p> <p>Whilst Support Advisors send out a welcome email containing 12 different attachments, none of these documents cover the above (they mainly relate to POL privacy notices, vetting, financial assessment instructions, etc.).</p> <p>Note: The PM Effectiveness Director has secured funding to recruit a Business Analyst in Q1 to support further improvements to on-boarding, specifically around Financial Assessments and digitising the contracting process. The ambition is that such changes will reduce overall on-boarding timeframes from 6 months down to 4 months.</p>	<ol style="list-style-type: none"> <li>Clearly define the overall on-boarding journey and timelines (including training commitments) for new PMs. Formally publish this in an easy to digest format (e.g. one page visual overview) so all PM-facing teams (NPLs during the attract and recruit process, Support Advisors during on-boarding and BSMs during the Suitability Assessments) can share and discuss this with potential new PMs from the outset.</li> <li>Brief all PM-facing teams on the importance of sharing the above with potential new PMs at key stages of on-boarding.</li> </ol>	Jayne Pardoe	Tracy Marshall	ASAP – next 12 weeks (End May 2021)
ON2	<p><b>Financial Assessment Process</b></p> <p>The financial assessment (FA) process continues to be lengthy and onerous and this has been acknowledged by all teams involved in PM on-boarding. The current aim is for new PMs to return all FA documents within 28 days. However, the average turnaround time is closer to 56 days. Current challenges include:</p> <ul style="list-style-type: none"> <li>A 'one size fits all' approach that does not take account of the size and type of branch for which is being applied.</li> <li>A number of documents needed for the FA are not in the PM's direct control to obtain within a timely manner (e.g. Value Property Interest) and anecdotally, this is one largest contributors to delays in the process.</li> <li>Once a new PM has passed the FA, there is no further follow up or monitoring of actual branch performance. This raises the question of whether the current FA process is appropriately balanced against the financial risks POL is assessing and measuring during on-boarding.</li> </ul> <p>Feedback from stakeholder interviews indicates that the current process is based on a legacy POL investment in mains (~£80k) and local (~£20k) branches from Network Transformation. There was a government requirement to maintain an audit trail to justify the investment decision, and the Financial Assessment arose as a response to this requirement. Although POL's investment is now minimal, the level of due diligence has not been updated accordingly.</p> <p>A draft document ('On-Boarding Financial Assessment - Scenarios') which proposes a more risk based 'tiered' approach to the FA is currently being written and reviewed in collaboration between On-Boarding and Finance. The on-boarding team also intend to hire a new Business Analyst in Q1 to help review overall on-boarding processes and timelines, which will include review of the FA Process.</p>	<ol style="list-style-type: none"> <li>Finalise review of the FA process. Management should ensure that the FA process addresses POL's due diligence requirements whilst being pragmatic and practical for new PMs in terms of the type and volume of documents required.</li> <li>Communicate any new FA processes and requirements to relevant POL teams (i.e. NPLs, Support Advisors and BSMs) to ensure consistent understanding and buy-in, and update on-boarding documentation (both internal-POL and PM-facing) to reflect the changes.</li> </ol>	Jayne Pardoe – On-Boarding	Kathryn Sherratt	Short term – following 12 weeks (End August 2021)

## 6.2 On-Boarding & Early Days: Improvements Identified


Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
ON3	<p><b>On-Boarding SLAs</b></p> <p>The On-Boarding team's performance is currently measured against 30 SLAs for 2020-21, all of which are focussed on on-boarding new PMs within target timeframes. However, there are no performance metrics around quality, experience and / or satisfaction measures to assess whether on-boarding has been a positive experience for new PMs. Example of the current SLAs include:</p> <ul style="list-style-type: none"> <li>• Allocations (90% of notice to end contract/resignation acknowledged within 1 day).</li> <li>• Financial Assessments (Links to be sent within 1 to 3 days of allocations).</li> </ul> <p>Furthermore, feedback from Support Advisors interviewed indicated that they see themselves as 'document checkers' and used language such as '<i>at day 14 and 28, we chase the PMs to return Financial Assessment documents</i>'.</p> <p>The on-boarding SLAs and Support Advisors' view of their role and language used is inconsistent with POL's vision of putting PMs at the heart of the business, and inconsistent with the Support Advisor role which was introduced to positively support PMs through the on-boarding journey.</p> <p>The organisational design T2 work announced in early March 2021 will help to address some of the above, by equipping all Support Advisors to undertake end-to-end on-boarding activities (including SMART ID, vetting and fit and proper), resulting in one contact for every PM. Management are also in the process of diarising culture sessions with the full on-boarding team, to remind them of the PM focus in terms of experience rather than timeframes for delivery.</p>	<ol style="list-style-type: none"> <li>1. Revise the on-boarding team's performance metrics to include KPIs around quality, PM experience and PM satisfaction measures. The measures used to assess this could be linked to the post-6 month PM Feedback Survey (although the questions within the Feedback Survey would need to be updated to ensure that it captures the relevant information around satisfaction with their experience).</li> <li>2. Use training and communications to remind Support Advisors of the importance of their role for new PMs, and to continue driving mind-set and culture change towards a more PM-focussed organisation.</li> </ol>	Jayne Pardoe	Tracy Marshall	<p>Short term – following 12 weeks (End August 2021)</p>  <p>Medium term – FY21/22 end (End March 2022)</p>
ON4	<p><b>Post 6-Month PM Feedback Survey</b></p> <p>A PM Feedback Survey was launched in Oct / Nov 2020, sent by the Support Advisors to new PMs 6 months after on-boarding is complete. Opportunities exist to use this feedback to drive further improvements to on-boarding processes and training. For example, the Period 8 survey results revealed that:</p> <ul style="list-style-type: none"> <li>• 33% of respondents disagreed that classroom training prepared them to run their post office.</li> <li>• 20% disagreed that after initial training, they were confident with weekly / monthly balancing.</li> </ul> <p>Management are aware of the above, and are currently updating the feedback surveys to gain better insights into the on-boarding experience overall. In addition:</p> <ul style="list-style-type: none"> <li>• Management have introduced additional mechanisms to capture PM feedback and complaints (currently logged in a complaints feedback tracker).</li> <li>• Totara is also being investigated as another tool for capturing PM feedback.</li> </ul>	<ol style="list-style-type: none"> <li>1. Ensure that all PM feedback relating to on-boarding and training is captured centrally to enable effective analysis, investigation, review and reporting to be performed on a monthly or quarterly basis at a minimum. This feedback should then be used to drive continual improvements (where valid and required) to on-boarding and training.</li> </ol>	Jayne Pardoe & Ranjeet Jouhal	Tracy Marshall	<p>ASAP – next 12 weeks (End May 2021)</p> 





## 6.2 On-Boarding & Early Days: Improvements Identified

Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress
ON5	<p><b>PM Training Content</b></p> <p>Training for new PMs (specifically eLearning, Classroom and on-site) is primarily focussed on products and common transactions (e.g. Mails, Money Travel Services, ATM, Lottery) with limited coverage of the day-to-day operational running of a branch (e.g. a day in the life of a PM), common customer-related issues, customer service, soft skills training, or practical input on how to build and grow their business.</p> <p>Similarly, the Operational Training Guide and physical Work Aids mainly provides operational instructions on common transactions and operational activities around setting up a stock unit, cash management, weekly and monthly accounting etc.</p> <p>Furthermore, we have noted issues relating to PM's first cash deliveries. Cash may be delivered to new branches before the on-site trainers are due at the branch to carry out the setup, and in this case the rem will be stored in the safe until the on-site trainer arrives. When branch transfers take place, the on-site trainer is not always on-site for any rem deliveries/collections, as some branches are on fortnightly rem and the on-site trainers are only on-site for 6 days. In this case, the on-site trainer can only talk the PM through what to do using handouts left on-site and, where possible, make up a bag of notes for despatch. Whilst classroom training is performed on this procedure and PMs have access to an A5 Remittance Deliveries work aid, PMs may be performing a high-risk process without adequate on-site support.</p> <p>Management are aware of the above and action has already commenced to review ways of improving PM training.</p>	<ol style="list-style-type: none"> <li>1. Review and broaden the current training programme for new PMs to cover the practical and operational aspects of running a branch, common customer issues (and how to resolve them), what good customer service entails and support to grow and develop their business. Some of this training content is already available for AM but consideration could be given to using some of this directly across the PM community.</li> <li>2. Consider introducing a PM shadowing programme to help new PMs experience 'what it's like' to run a branch after either eLearning or classroom training, but before go-live.</li> <li>3. With respect to cash management, review the on-site trainer scheduling process to ensure that a trainer is on-site during the first cash delivery.</li> </ol>	Ranjeet Jouhal	Tracy Marshall	<p>Short term – following 12 weeks (End August 2021)</p> 

## 6.2 On-Boarding & Early Days: Improvements Identified



Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
ON6	<p><b>Internal feedback mechanisms to improve PM training</b></p> <p>Stakeholder workshops held with Support Advisors (who raise interventions), QATLS (classroom trainers), on-site trainers, BSMs and AMs indicate that there is no cross-functional feedback loop to review and improve the training process and experience for new PMs. All of the above teams play a key role in PM training, however, as they are separate teams that support different stages of the PM journey, there is a risk that potential improvements to training are not effectively shared, reviewed and implemented.</p> <p>Examples of suggested improvements to training from stakeholder workshops include:</p> <ul style="list-style-type: none"> <li>• There are various views on the format and length of on-site training (currently 6 days from branch go-live). Certain stakeholders believe that 6 days is enough, but that this should be split across a number of weeks. Others believe that the number of on-site days needs to be doubled as not all transaction types will occur within the first 6 days (although on-site trainers perform role plays if this is the case).</li> <li>• On-site face-to-face support cannot be scheduled for intervention cases unless work aids and classroom training are first offered to the PM. It is felt that this approach could be seen as dismissing or failing to adequately address the PM's call for help, especially as on-site training is by far the most requested form of support. Feedback has also been provided to indicate that an on-site visit after an intervention class would ensure PMs are fully confident of what they have learnt in the classroom.</li> <li>• All eLearning needs to be completed before classroom training but feedback shows that PMs may be answering questions to which they do not know the answer, and that splitting this so that half is done before and half done after classroom training may be more effective.</li> <li>• eLearning (8-10 hours) is too long for most PMs who are already running businesses and it could be shortened or delivered in other ways (e.g. via additional on-site training or BSM support) without compromising PM learning.</li> <li>• Classroom training has been compressed and is not long enough, so it feels like a rush to deliver and embed this knowledge to new PMs.</li> <li>• Additional Horizon training would be beneficial to PMs as the system is clunky and not intuitive to use.</li> </ul> <p>Note: there is an annual review process conducted by the Training team around eLearning and classroom content. This finding is about a cross-functional review between the On-Boarding, Training and Franchise Partnering Teams. Further work is already underway to consider additional options for further digitisation of training content.</p>	<ol style="list-style-type: none"> <li>1. Implement a cross-functional training review forum (with representation from the schedulers who book interventions, classroom QATLS, on-site trainers, BSMs and any other relevant business stakeholders) for feedback on training to be periodically reviewed and assessed. As training is a responsibility shared between different teams, this forum would ensure that overall training objectives for new PMs are being covered across the entire PM journey.</li> </ol>	Ranjeet Jouhal	Tracy Marshall	<p>1. Short term – following 12 weeks (End August 2021)</p> 

## 6.2 On-Boarding & Early Days: Improvements Identified



Low-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
ON7	<p><b>On-Boarding face-to-face contact</b></p> <p>Opportunities exist to improve the on-boarding experience for PMs by offering face-to-face contact with their Support Advisors and BSMs.</p> <p>Whilst NPLs manage on the ground relationships with new PMs as part of the attract and recruit process, Support Advisors liaise with new PMs via phone and email and BSMs conduct Suitability Assessments via recorded telephone calls.</p> <p>Offering face-to-face engagement at key stages of on-boarding (acknowledging work-arounds for COVID and that PMs may decline as they do not have the technology needed for this) would help deliver a positive experience for new PMs, particularly as current on-boarding timelines are lengthy (6-9 months).</p>	<ol style="list-style-type: none"> <li>Support Advisors to offer introductory video calls to new PMs (aside from the Welcome Email) to introduce themselves and put a face to a name. An application such as Skype, Teams or Zoom would facilitate this.</li> <li>BSMs to offer Suitability Assessments either in person or via video call.</li> </ol>	Jayne Pardoe	<p>Tracy Marshall (for recommendation 1)</p> <p>Andy Kingham (for recommendation 2)</p>	<p>Short term – following 12 weeks (End August 2021)</p> 
ON8	<p><b>Conducting Suitability Assessments before Financial Assessment</b></p> <p>Suitability Assessments are currently conducted after the Financial Assessments; swapping these processes around would improve the on-boarding experience because applicants would know that they have passed the 'interview' stage before moving forward in the on-boarding journey (and onto what is currently a lengthy Financial Assessment process).</p> <p>This change would allow BSMs to build strong relationships from the outset: 'set the scene' around the benefits and challenges of becoming a PM, 'manage expectations' around the on-boarding process and timelines, training commitments, ways of working etc., and answer any questions the applicant may have before continuing with on-boarding.</p> <p>Management already have plans in place to implement this change as part of an overall review of the on-boarding process this year.</p>	<ol style="list-style-type: none"> <li>As part of on-boarding re-design work, bring Suitability Assessments forward.</li> </ol>	Jayne Pardoe	Tracy Marshall	<p>Short term – following 12 weeks (End August 2021)</p> 



## 6.2 On-Boarding & Early Days: Improvements Identified

Low-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
ON9	<p><b>Learning MI</b></p> <p>Whilst the eLearning system Totara is capable of tracking eLearning MI, it is not currently used to help drive improvements to training. Examples of the types of MI that could be captured include:</p> <ul style="list-style-type: none"> <li>Level 1 evaluation to get feedback on the system and what the PM thought of the eLearning module.</li> <li>Time taken to complete eLearning modules.</li> <li>Average time to complete eLearning assessment and number of attempts.</li> </ul> <p>Sufficient resource has not been available to analyse this data to date. Management have expressed concern about data integrity within the system (for example, one user was shown to have completed an eLearning module in four seconds) and will need to investigate and resolve this before they can confidently rely on this information.</p> <p>There are plans in place for the Compliance Learning Manager to start performing analysis of this MI and do calls to PMs to elicit feedback approx. 6 weeks after they have gone live. Work has already been initiated to collect feedback on a rolling basis that will feed into the annual review cycle of the learning materials.</p> <p>Management are in the process of upgrading to a higher version of Totara, which will enable POL to make better use of the functionality and MI reporting available.</p>	<ol style="list-style-type: none"> <li>Upgrade to latest version of Totara available to POL. Check there are no data integrity issues once complete.</li> <li>Start analysing eLearning MI to help improve training design and content.</li> </ol>	Ranjeet Jouhal	Tracy Marshall	<p>Short term – following 12 weeks (End August 2021)</p> 
ON10	<p><b>Embedding of Classroom Learning</b></p> <p>A 'level 2' learning quiz is conducted to test PM knowledge and understanding from classroom training. We have identified that:</p> <ul style="list-style-type: none"> <li>Pass marks are not assigned to the quizzes.</li> <li>The quiz questions are basic and does not elicit useful enough information to drive real improvements to content and delivery.</li> <li>The quiz does not assess the higher risk / more complicated processes that PMs struggle with such as lottery and ATM.</li> </ul> <p>Examples of quiz questions include:</p> <ul style="list-style-type: none"> <li>When is it ok to share your SMART ID username and password?</li> <li>Name two business banking services.</li> <li>What is the maximum daily withdrawal limit for a Post Office Card Account card?</li> <li>When a customer comes into your branch and you introduce a product to them, depending on their response, what might you do next?</li> </ul>	<ol style="list-style-type: none"> <li>Review current classroom assessment quiz and consider whether the format and questions are appropriate to test PM knowledge. We suggest more difficult questions that require the new PM to demonstrate knowledge of key topics, and the introduction of role play assessments, or a combination of both.</li> <li>Introduce classroom assessment pass marks.</li> </ol>	Ranjeet Jouhal	Tracy Marshall	<p>Short term – following 12 weeks (End August 2021)</p> 

## 6.2 On-Boarding & Early Days: Improvements Identified

Low-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
ON11	<p><b>Refresher Training</b></p> <p>Classroom QATLS currently offer optional refresher courses to PMs. There is an opportunity to review whether refresher training should be made mandatory to ensure that a consistent level of knowledge and understanding is maintained across the network. Bespoke refresher training could also be used to address 'problem areas' or inform on 'hot topics' relevant to PMs.</p> <p>Under PSIP, Management have funding for a new Business Analyst in on-boarding to look at how POL digitise training and allow remote training delivery to encourage uptake, including production of more video content. Enablement of Horizon training mode is also being explored.</p>	<ol style="list-style-type: none"> <li>Consider making refresher training (currently optional) mandatory to periodically help PMs with 'problem topics', as identified from the Franchise Partnering or Service and Support teams.</li> </ol>	Ranjeet Jouhal	Tracy Marshall	<p>Medium term – FY2122 end (End March 2022)</p> 
ON12	<p><b>Branch Contact File</b></p> <p>As the PM moves through the on-boarding, training and early days journey, hand-offs are facilitated by an Excel format 'Branch Contact File' (BCF). The BCF is initiated by the Support Advisors and stored on SharePoint; it is then used by classroom QATLS, on-site trainers, line managers and auditors to document any interactions with, and training undertaken by, the PM. The BCF is ultimately handed back to BSMs for review and tailored early days support.</p> <p>From our review of the BCF in addition to feedback from stakeholder workshops, the BCF is clunky, complicated and not fit for purpose to allow effective and efficient communication of information between field teams. For example, the BCF:</p> <ul style="list-style-type: none"> <li>Contains 228 rows of 'Instructions' and has 19 different tabs that can be populated (although not every tab will be applicable depending on the branch type).</li> <li>Does not support the way field in which teams work (i.e. on the ground f2f with PMs rather than in front of a computer with an Excel file).</li> <li>Is time consuming and very lengthy to review, particularly given that BSMs can be supporting anywhere between 30-50 branches (depending on location) at any one time.</li> <li>There does not seem to be a dedicated owner, but rather it seems to be a document that is used to record information before being passed onto the next team to do the same.</li> </ul> <p>Management are currently in the process of reviewing the handover from On-Site Trainers to BSMs, which will partially address some of the above.</p>	<ol style="list-style-type: none"> <li>Identify the team that owns the BCF.</li> <li>Review the intent and purpose of BCF: what information is being captured and why?</li> <li>Assess whether the BCF is appropriate and fit for purpose, or whether there are alternative ways of working that are more aligned to the ways that field teams currently communicate and operate.</li> </ol>	Regional Managers	Andy Kingham	<p>Short term – following 12 weeks (End August 2021)</p> 

## 6.3 On-Boarding & Early Days: Improvements Noted

The following table outlines the improvements made by Management in the past 12-18 months, in line with the strategic aim of putting PMs at the heart of the POL Business.

Reference Number	Improvement Name	Description
ON13	POL Re-Org	<p>All on-boarding and early days processes have been brought under one GE member (Retail and Franchise Network Director) when this previously resided with 2-3 different GE members.</p> <p>Further, since November 2020, the on-boarding and early days process has been split into 3 different teams under Head of PM On-Boarding, Head of Training Delivery and a Franchise Partnering Director. On-site trainers and BSMs are now part of the Franchise Partnering Team with AMs (where previously part of On-boarding). Feedback from stakeholder workshops is this move has greatly improved ways of working and communication between these teams and will have a positive impact on PMs.</p>
ON14	Creation of Support Advisor role	<p>The Support Advisors role was created in 2019 to be the one point of contact for new PMs during on-boarding. Formerly three separate teams, new PMs would interact with a large number of different people and the multiple hand-offs resulted in a fragmented on-boarding experience and delays.</p> <p>Along with improvements to the Financial Assessment process (see below), this has reduced on-boarding timelines from 12 months down to 9 months.</p>
ON15	Improvements to Financial Assessment	<p>Certain improvements have been made to the Financial Assessment process to help reduce on-boarding. This includes:</p> <ul style="list-style-type: none"> <li>• Making the Financial Assessment form easier to navigate (when previously this had to be completed section by section)</li> <li>• Creating a low risk business plan option based on net profit margin, allowing certain businesses to be fast tracked through on-boarding</li> <li>• Removing the need for forecasts if 2 years trading accounts or tax returns are available</li> <li>• Re-aligning the profit benchmark (previously £10k) to net profit margin, a much fairer and more relevant benchmark</li> <li>• Holding Q&amp;A sessions on the Financial Assessment process with Support Advisors and NPLs to enable common understanding of the process</li> </ul>
ON16	Suitability Assessments	BSMs now conduct 'Suitability Assessments' to identify if a new PM is suitable, in place of Assessments formerly conducted by the On-Boarding and Assessment Managers. The tone and approach of the Suitability Assessments is a lot more welcoming and friendly compared to the old Assessments which were more process driven and contractual.
ON17	Post-6 month PM Feedback Survey	Since Oct / Nov 2020, Support Advisors send a PM Feedback Survey to new PMs 6-months after on-boarding is complete. This feedback is collated and presented to Senior Leadership on a monthly basis.
ON18	Scheduling team changes	Two schedulers from the Support Advisors team (within On-Boarding) who do scheduling for classroom and on-site training and interventions will be moved into the PM Training Team from 8 March 2021.
ON19	PM Training	<p>Since August 2019, a full review of new PM training has been performed. The following changes have been made to eLearning and classroom content:</p> <ul style="list-style-type: none"> <li>• Monthly Branch Balancing eLearning module: Aug 2019</li> <li>• 3 x new work aids: Dec 2019</li> <li>• ATM/Lottery eLearning: Dec 2019</li> <li>• 1 x Investigating Discrepancies work aid: March 2020</li> <li>• Investigating Discrepancy half day classroom course: March 2020</li> <li>• Learning Catalogue: V1 June 2020, V2 Nov 2020</li> <li>• Norton Rose updates to training materials: changes live Aug 2020</li> <li>• Internal Tone of Voice changes to classroom courses: Sep 2020</li> <li>• New classroom 3 x 1 day courses: Oct 2020</li> <li>• Internal Tone of Voice changes on all eLearning modules: Dec 2020</li> <li>• Operational Training Guide: Live Jan 2021</li> </ul>



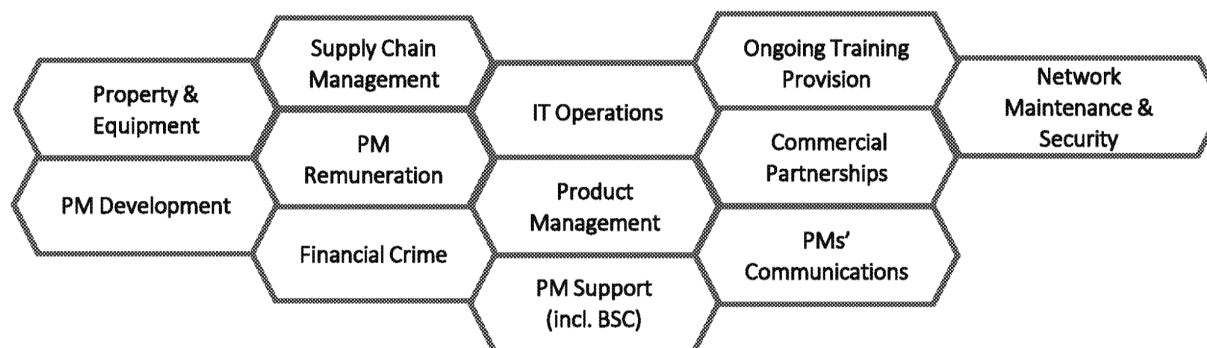
## 6.3 On-Boarding & Early Days: Improvements Noted (continued)

Reference Number	Improvement Name	Description
ON20	PM training process documentation	The Training Team have created Process Maps which documents the PM training journey. This was published internally and shared across the retail network and all PM-facing teams via the Knowledge Centre in February 2021.
ON21	Portable Horizon Units	Two new Portable Horizon Units (PHUs) have been provided to QATLs so that classroom training facilities can be brought to new PMs (particularly in rural areas), eliminating the need for PMs to travel long distances to training facilities. There are now a total of 3 PHUs.
ON22	Refresher Training	QATLs provide refresher training to PMs every second week and feedback indicates that the uptake on these sessions is exceptionally high.
ON23	BSM and AM Ways of Working	BSMs and AMs have introduced new ways of working (particularly in response to COVID) to ensure that their wide network of PMs are appropriately and sufficiently supported. This includes 'curry nights' to bring PMs together in an informal setting to raise concerns or share knowledge with other PMs. Facebook and WhatsApp Groups have also been created to disseminate information or communications quickly.
ON24	Creation of BSM role	In April 2019, POL introduced Business Support Managers (BSMs) to provide dedicated early days support to PMs in their first 6-9 months, before handover to the AMs.
ON25	Expanded AM role	In April 2019, the role of AMs changed such that every PM branch was assigned an Area Manager irrespective of size. This combined two former roles (those of AMs who looked after DMBs and Area Sales Managers who looked after mains branches).

## 7.1 BAU (Continuous Activities): Overview

### High-level Overview

Business As Usual ('BAU') Continuous Activities covers a broad range of day-to-day services and processes, core to the experiences of PMs, including:



The BAU Continuous Activities part of the PM Journey comprises of all day-to-day activities of PMs after the conclusion of BSM support provision 6-9 months after they commence service. This includes a broad range of critical process areas, including supply chain management, IT operations, ongoing training provision, PM development and remuneration, support activities (including the Branch Support Centre), commercial partnerships, financial crime (including training and investigative support), property and equipment, day-to-day communications, network maintenance and security provision.

The following table sets out the number of findings or improvements identified by risk rating:

Rating	Planned or In Progress	Not Yet Started	Total
Urgent-Priority	0	2	2
High-Priority	4	0	4
Medium-Priority	8	4	12
Low-Priority	3	1	4
<b>Total</b>	<b>15</b>	<b>7</b>	<b>22</b>

## 7.1 BAU (Continuous Activities): Overview

### Summary of Improvements To Date

POL has taken steps to improve the BAU experiences of PMs and establish the interests of PMs in POL's day-to-day processes, with 21 completed improvement noted. In particular, the Branch Hub tool has been launched across the network (see ref **BC23**), providing 9,500 branches with 24/7 access to knowledge articles and self-service support around key processes. A review of branch correspondence from POL to PMs has been conducted, to ensure the tone is positive, supportive, and aligns with POL's purpose (see ref **BC28**).

Additionally, processes around managing cash discrepancies and potential branch losses have been improved (see ref **BC38**), with POL ceasing the practice of automatically deducting such losses from PM's remuneration and strengthening associated dispute processes.

### Summary of Further Improvements Identified

This project noted several areas where further improvement is required to reflect the interests of PMs in POL's BAU processes. Overall, the vision of placing PMs at the heart of the business has not been consistently embedded within central BAU activities, with further cultural change and process enhancement required in order to support PMs in line with POL's vision.

Specifically, POL does not provide all PMs with high-quality cash management equipment, which leads to process inefficiencies and poor cash management practices, leaving PMs vulnerable to financial loss. Additionally, key process areas (such as those around ATM machines and lottery products) are complicated and have not been primarily designed with the interests of the PM in mind, which leads to daily PM operational challenges.

Historically, branches have been assigned a tier to determine the level of proactive support provided to the PM by their AM, with PMs in higher tiers provided with more proactive AM support. This approach is used as AMs have a wide span of responsibility and cover between 75-125 branches, which limits their capacity to apply the same level of proactive support and management across all their branches. This approach is not currently based on PMs' needs and is not transparent to PMs. POL has identified the metrics underpinning the tiering system and is looking to build PM centric metrics into the system, which will be available to AMs via the Branch Insight Tool (BIT) and there is further opportunity to improve the approach further an introduce greater flexibility and transparency.



We identified **two urgent-priority, four high-priority, twelve medium-priority** and **four low-priority** improvement opportunities to further enhance PM's BAU activities. The urgent-priority findings summarised, below, with full details provided in the following section:

- 1. Resolution Scheme Exceptions:** The historical shortfall resolution scheme does not cover the period between each branch's migration to HGNA sometime in 2017 or 2018 and the CIJ in 2019 when the policy changed. Should PM detriment have occurred in this period (e.g. arising from contract termination of unpaid suspension), this detriment will not have been investigated or compensated.
- 2. PM Debt Uncertainty:** No investigation has been conducted to identify and resolve any PM debt issues accrued between the implementation of HGNA and the establishment of new ways of working in the PM support team. This leads to a risk that PMs who accrued debt in this period do not have certainty over their historic debt balances and do not understand if, how, or when they will be resolved.



Out of the high-priority improvements, we identified one relating to products, which focuses on the product change processes inefficiencies and the lack of a clear design methodology for new products. The remaining high-priority improvements related to a risk that PMs are not adequately sighted on urgent communications, an insufficiency in the remuneration MI provided to PMs, and problems in the cash discrepancy investigation procedures.





## 7.2 BAU (Continuous Activities): Improvements Identified

Urgent-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BC1	<p><b>Shortfall Resolution Scheme Exceptions</b></p> <p>The historical shortfall resolution scheme is responsible for resolving PM claims where the potential detriment suffered occurred in the time period before the branch's migration to HNG-A, which concluded between 2017 and 2018 depending on the migration schedule. The scheme covers this period as the CIJ concluded the HNG-A system to be sound.</p> <p>However, there is a period of time between the completion of the HNG-A migration project concluding in 2018 and Post Office implementing new ways of working following the receipt of the CIJ in 2019, which is not covered by this scheme and where any shortfall has not been resolved.</p> <p>No assessment has been completed to determine the financial volume or the no. of PMs effected..</p> <p>Therefore, there is a risk that PMs may have suffered financial detriment (for example, arising from contract termination or unpaid suspension) in this interim time period, with no analysis performed on the potential size of this risk to-date. Additionally, there is currently no formal avenue for PMs to resolve this dispute.</p>	<ol style="list-style-type: none"> <li>1. Confirm the scope of the historical shortfall scheme and understand whether there are any plans to identify and resolve any issues that occurred during the period not covered by the scheme.</li> <li>2. If a gap is noted, quantify the size of the gap and produce recommendations on the best solution to resolve (e.g., scheme extension).</li> </ol>	Jacki Adams	Tim Perkins	<p>ASAP – next 12 weeks (End May 2021)</p> 
BC2	<p><b>Postmaster Debt Uncertainty</b></p> <p>The role of the Historical Matters Unit (HMU) is to assess PM debt created on HNG-X and to establish processes to resolve and/or write-off such balances. New processes and ways of working have been implemented across the Service and Support Team structure to ensure discrepancies are thoroughly investigated and a resolution is identified, in line with the CIJ.</p> <p>However, there is a time period between the implementation of HNG-A and the introduction of the new ways of working where some PM accounts have accrued a debt, which will display on their balance sheets.</p> <p>Such debt has not been investigated or resolved, leaving PMs who have accrued a debt in this period without certainty as to if, how, or when the debt will be investigated and/or resolved.</p> <p>Additionally, no assessment has been completed to determine the financial volume or the no. of PMs effected.</p>	<ol style="list-style-type: none"> <li>1. Undertake analysis to identify and quantify the financial volume such debt and the number of PMs involved.</li> <li>2. Reach a decision on how such debt balances will be managed by POL.</li> <li>3. Determine how the decision will be communicated to relevant PMs and managed appropriately thereafter.</li> </ol>	Jacki Adams	Tim Perkins	<p>ASAP – next 12 weeks (End May 2021)</p> 

## 7.2 BAU (Continuous Activities): Improvements Identified



High-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BC3	<p><b>Use of memo view may mean that PMs are not sighted on all urgent communications</b></p> <p>The processes in place to push urgent communications (e.g. around notification of scam calls) from POL to branches are ineffective and can result in the PMs being unaware of security or other business critical risks.</p> <p>Memo view messages are often used to deliver urgent operational communications to branches via Horizon. However, these can be missed if they come through when a customer is being served and cannot be retrieved at a later point in time, which increases the risk that such messages are missed.</p> <p>There is a planned Launch of the 'One Touch' app (an online reporting system for PMs to report crime more easily) in 2021, which will improve operational communications, with further plans in place to incorporate a message history function in Memo view.</p>	<ol style="list-style-type: none"> <li>1. Implement a multi-channel strategy for communicating all urgent messages to PMs, including, but not limited to, text messages, to maximise the probability of these messages being received in a timely manner. (linked to G6 re overall communications framework).</li> <li>2. Ensure that there is clarity on messaging requirements and implement tracking accordingly e.g. read receipts and or formal agreements/acknowledgements.</li> <li>3. Implement a 'message history' for urgent messages that is accessible to PMs (or staff working within branch), so that such messages are not erased and can be viewed at the convenience of the PM.</li> <li>4. Use knowledge articles in Branch Hub to provide detailed information about known errors and defects with Horizon.</li> </ol>	Simon Oldhall – System update	Tracy Marshall	<p>ASAP – next 12 weeks (End May 2021)</p> 
BC4	<p><b>Insufficient PM Remuneration MI</b></p> <p>PMs are not provided with sufficient information to understand their remuneration from a performance perspective. Whilst remuneration advice slips are provided to PMs, PMs are not able to assess how their trading compares to other branches, or compare their trading results (and remuneration) with prior years. Additionally, whilst remuneration and sales reports are available on Horizon, these are not user friendly and PMs are often not aware of these reports or how to use them.</p> <p>This is currently being worked on in the BiT tool, and the audit team have been looking at data for remuneration management information as this can be random and uncontrolled. Their recommendations should be fed into any action that is taken.</p>	<ol style="list-style-type: none"> <li>1. The current development of reporting functionality within the BiT tool should be offered to the PM via Branch Hub once it is designed effectively. This strand of activity will now be owned by BTU.</li> <li>2. The work that is currently underway by the audit team to assess this data and how it could be used better should ensure that it considers the PM requirement for timely remuneration data.</li> </ol>	Alex Todd	Nick Beal	<p>ASAP – next 12 weeks (End May 2021)</p>  <p>Short term – following 12 weeks (End August 2021)</p>

## 7.2 BAU (Continuous Activities): Improvements Identified


High-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BC5	<p><b>Design methodology or process</b></p> <p>Several existing products were designed in isolation based upon cost-based metrics, third party provider constraints and/or without reference to industry best practice, rather than designed holistically in line with agreed principles and in such a manner that prioritises the PM experience. This has led to several PM-operated day-to-day processes being complicated and difficult to administer, particularly around the operation of ATM and Lottery products.</p> <p>Product design principles have now been developed by the Commercial Strategy Team, who have sought to put the needs of the PM at the heart of the design. As such, future products should be developed and designed in line with these principles and reference to best practice, which will improve the end-user experience for PMs. (These revised principles will not resolve issues with product design, with existing products (particularly ATMs and Lottery Products) remaining difficult for PMs to use).</p>	<ol style="list-style-type: none"> <li>Review design principles to ensure they are fit for purpose and meet customer, PM and business needs.</li> <li>Ensure new products are developed, designed and implemented in line with the updated design principles, and (where possible) industry best practice,</li> <li>Review the existing product set to understand and seek to mitigate the main pain points for PMs. This process for review should start with the products that have the most impact on PMs (using information from PM surveys etc) and then set out a plan to progress to lower priority products.</li> <li>Develop a Service Improvement Plan with key business stakeholders to align existing products to new principles that have been agreed.</li> </ol> <p>NB., recs are assigned to the three relevant product portfolio directors, who will apply to their products.</p>	<p>Chrysanthy Pispinis – product design principles</p> <p>Henk van Hulle – customer design principles</p> <p>Zdravko Mladenov – postmaster design principles</p> <p>Product Managers</p>	<p>Mark Siviter</p> <p>Martin Kearsley</p> <p>Ed Dutton</p>	<p>Short term – following 12 weeks (End August 2021)</p> 
BC6	<p><b>Cash discrepancy investigation procedure misalignment</b></p> <p>There is no Service Level Agreement (SLA) for investigating cash discrepancies (e.g. a PM having less cash in their tills than their system declares), which can result in such discrepancies, on occasion, not being fully investigated before the CCTV data is removed, which happens after 90 days.</p> <p>Once CCTV footage has been automatically deleted discrepancies cannot be addressed, resulting in financial loss for the PMs and / or POL.</p> <p>This has been identified as part of the PM Support Improvement Plan and identified as a potential issue by Legal. A risk exception note has been raised around the CCTV retention period.</p>	<ol style="list-style-type: none"> <li>Implement SLAs around how long Post Office has to identify a discrepancy and how long a PM has to query it. These SLAs should be less than 60 days, to support alignment with the CCTV retention policy.</li> <li>Adjust the CCTV retention period to retain data for a longer period that aligns to the investigation period.</li> <li>Investigate a means of sharing CCTV footage with PMs electronically as part of the discrepancy investigation process.</li> </ol>	<p>Doug Brown</p>	<p>Russell Hancock</p>	<p>Short term – following 12 weeks (End August 2021)</p> 





## 7.2 BAU (Continuous Activities): Improvements Identified

Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BC7	<p><b>Lack of transparency and PM-centric metrics in tiering system</b></p> <p>Historically, branches have been assigned a tier to determine the level of support provided to the PM by their AM, from Tier 1 (high 'priority') to Tier 3 (lower 'priority'), with PMs in higher tiers provided with more proactive AM support. This approach is used as AMs have a wide span of responsibility and cover between 75-125 branches so do not have the capacity to apply the same level of proactive support and management across all their branches.</p> <p>The tier system is based on POL-focused metrics (e.g. transaction volume), rather than metrics that identify the PM's needs, such as the number of transaction corrections required for each branch and / or direct customer feedback. This may result in PMs in lower tiers not being provided with the support they require.</p> <p>Additionally, PMs are not aware of the tiering system (despite the fact this system influences the level of support they receive) which may represent a lack of transparency.</p> <p>POL has identified the metrics underpinning the tiering system and is looking to build PM centric metrics (as outlined above, such as transaction corrections and direct customer feedback) into the system, which will be available to AMs via the Branch Insight Tool (BiT).</p>	<ol style="list-style-type: none"> <li>Continue to adjust the tiering system so that it is more flexible and based on PM need focused metrics, with indicators that a PM requires higher support (including transaction corrections, the length of time the PM has been in role, and support requests from individual PMs) determining the level of support provided. Further, consider enhancing transparency and making the system clear to PMs.</li> <li>Ensure that any new tiering approach is communicated effectively to AMs and PMs.</li> </ol>	Regional Managers	Andy Kingham	<p>Short term – following 12 weeks (End August 2021)</p> 
BC8	<p><b>Change processes are seen as complex by business teams</b></p> <p>Feedback from teams supporting branches and product development is that there has been a historical prioritisation of cost over PM experience, leading to some changes not being designed to prioritise improving the PM experience. The change process has improved over the last 12-18 months to increase governance and control and there has been recent evidence of understanding PM impact as part of the business case process.</p> <p>However, there is still a perception that the change process is complex and focuses on cost minimisation, which results in teams requiring funds to implement a change not consistently submitting business cases, as they believe they will not be approved. This leads to business cases not consistently being submitted, even when a positive, PM focused change is required.</p> <p>During our work, we were notified of one particular example:</p> <p>Subsequent to understood changes in legal requirements for Northern Ireland around parcel checks, a prompt was introduced into Horizon that stated 'make sure a customs form is attached to any parcels going to Northern Ireland.' Given the historic political situation, this was distressing to several PMs in Ireland, but the prompt was not removed due to the team's lack of faith in the change management process, and instead merely reworded, which is a source of frustration and upset for several PMs.</p>	<ol style="list-style-type: none"> <li>Continue working on streamlining the change management process in order to process smaller system changes in a more agile manner.</li> <li>Engage a comms programme to all teams, to support awareness that the change management process is open, easy-to-use, and should be used in all cases where an improvement is required in order to better support PMs.</li> <li>Ensure that business as usual and PM support teams who are impacted by the change are engaged as part of any change process review or lessons learned exercise</li> </ol>	Saira Burwood	Tim McInnes	<p>Short term – following 12 weeks (End August 2021)</p> 

## 7.2 BAU (Continuous Activities): Improvements Identified



Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BC9	<p><b>Inventory Team Ways of Working</b></p> <p>The business has a requirement to control costs and operate within its funding limits. Against a backdrop of high volatility in consumer behaviour around cash, this has led to a business wide focus on reducing network cash levels as far as possible. Whilst the Supply Chain has successfully achieved such cash reduction objectives, focus on reducing cash has resulted in cultural ways of working around cash supply that do not prioritise the needs of PMs.</p> <p>This has led to issues for many PMs, where the Post Office view of what cash they need (and when) differs from the PM view, which has a negative impact on PMs ability to respond to changing business patterns. Additionally, some PMs are not clear on who to speak with in order to resolve cash supply issues and feel they are not consistently listened to. Furthermore, the tone and support provided to PMs around cash supply issues is not consistent and their experience varies depending on who is spoken to.</p> <p>The Supply Chain lead team has recognised the issue described above and implemented an action plan to address related feedback from PMs. This includes adjusting ways of working, training members of the team around tone of voice and customer service, implementing call monitoring and coaching mechanisms, ensuring PMs have ways of providing feedback, tracking issues raised, and the resolution and identification of new ways that proactive support can be provided to PMs who experience such problems.</p>	<ol style="list-style-type: none"> <li>1. Continue with deploying the actions identified in the improvement plan.</li> <li>2. Continue to communicate with PMs the improvements that are being made.</li> <li>3. Work with the Postmaster Governance Forum teams to ensure any new issues are identified and actioned with the appropriate owner.</li> <li>4. Work with the Postmasters Teams to ensure colleagues benefit from any new training offered across the Service and Support Teams in order to offer a consistently good service to PMs.</li> </ol>	Doug Brown	Russell Hancock	<p>Short term – following 12 weeks (End August 2021)</p> 

## 7.2 BAU (Continuous Activities): Improvements Identified


Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BC10	<p><b>Roles and responsibilities for product management</b></p> <p>The recent organisational design changes have changed roles and responsibilities within the Commercial Team. Product Managers have overall accountability for their product, even though activity for delivering or supporting elements of that product may sit in different business units. These new ways of working are not completely embedded yet with there being some confusion remaining as to who is responsible for what.</p> <p>We note that this recommendation will be partially addressed as a part of the organisational design activities under Tranche 2, which intends to place end-to-end customer journey responsibility for all products with the product teams (though noting that they will need to work closely with other across the organisation to discharge these responsibilities).</p>	<ol style="list-style-type: none"> <li>Clearly define roles and responsibilities for product management and the linkages between the teams, across all relevant business units and communicate this information (in liaison with the comms team, to identify the most effective approach) to the teams affected.</li> <li>Communicate these roles and responsibilities wider in the organisation, especially where there is a dependency on other business units to deliver part of the product journey. This will include working with teams such as network, data protection, compliance, operations, and training etc. to bring them together to ensure everyone is aware of responsibilities to deliver.</li> </ol>	Product Managers	Mark Siviter Martin Kearsley Ed Dutton	ASAP – next 12 weeks (End May 2021) 
BC11	<p><b>Lack of PM focus in POL employee support centre objectives</b></p> <p>POL employee objectives (which are only in place for managers above) and incentivised remuneration are not based on PM centric metrics for key PM facing teams. Performance continues to be appraised and monitored through historical, efficiency based metrics, such as call handling times, rather than alternative measures focussed on the PM. This results in limited cultural focus - and individual incentive - to provide excellent service to PMs, which may have a negative impact on the quality of support provided to PMs.</p> <p>Call monitoring arrangements have been identified in call centre teams to assess the quality of calls and ensure messaging around tone is being consistently followed. However, call monitoring arrangements vary between teams according to resource levels (in terms of the number of calls monitored and the checklists used) and there are no plans in place to review remuneration for front line advisers or to change (or, where applicable, introduce) employee objectives to align with the new PM-centric approach.</p>	<ol style="list-style-type: none"> <li>Review / introduce / update front line teams objectives and introduce a capability matrix to confirm that they support a high quality of service to PMs (e.g. based upon positive PM feedback or high numbers of issues resolved, rather than fast call times). These should be monitored and appraised regularly.</li> <li>Review the remuneration structures for front line advisers within PM support teams and consider whether these are competitive, with a view of reducing employee turnover in these roles. This would likely result in pay rises.</li> <li>Establish consistent call quality monitoring practices (linked to the capability matrix) to confirm that front line staff are demonstrating the partnership tone and putting the PM at the heart mind-set in their interactions with PMs. This will include on the floor and off the floor coaching from team managers (coach the coach training to be launched in April 21).</li> <li>Launch the new recognition scheme to celebrate successes for teams members actively improving PM experience.</li> </ol>	Maxine Cross - Reward and Recognition Tracey Lloyd-Training Mel Fischer-Service and Support Teams Doug Brown – Inventory Management Team Jayne Pardoe – On-boarding Team Stephen O'Reilly – People Partners	Juliet Lang	ASAP – next 12 weeks (End May 2021) 






## 7.2 BAU (Continuous Activities): Improvements Identified

Medium-Priority Improvements						
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date	
BC12	<p><b>Lack of Cultural and Soft Skill Training provided to Key Support Teams</b></p> <p>There has been limited or no recent training provided to PM facing teams (such as the support teams and the security team) focussing on cultural matters and / or soft skills. As such, PM-facing support teams do not consistently understand the practical implications of the cultural requirement to put PMs at the heart of their operations and are not always equipped with the soft skills required to communicate with PMs in an effective and supportive way.</p>	<ol style="list-style-type: none"> <li>1. Develop a clear set of memorable principles and soft-skill values that PM facing teams must demonstrate in their interactions with PMs. This should be repeatedly emphasised via comms, training, job descriptions, and any other available forums.</li> <li>2. Design a training package for all PM facing staff that sets a consistent tone, emphasising the need to put the PM first in all interactions. This should be consistent with the values in (1).</li> <li>3. Deliver training programme to all teams and check the quality of their understanding of the training via call monitoring checks.</li> </ol>	Tracey Lloyd	Juliet Lang	ASAP – next 12 weeks (End May 2021) 	
BC13	<p><b>Product guidance</b></p> <p>When a product is no longer available or discontinued, there is no set process for the removal of the product from the system and product details are often left on Horizon. This can lead to PMs receiving out of date information on the product catalogue.</p> <p>Similarly, Branch Hub knowledge articles and articles used by BSC advisers to resolve PM queries are not always updated to reflect product changes. Product change projects are cost-constrained and project team members are encouraged to move off a project as soon as the change has been implemented. Associated knowledge article updates are viewed as 'tidying up' and a cost, as opposed to a priority, and therefore often do not get actioned. The potential impact of this is that PMs do not have access to the most up to date product guidance on Branch Hub and / or are given out of date product guidance by the BSC.</p> <p>Additionally, too much information is provided to PMs which can make finding the answer to product related queries difficult. This results in queries being raised in PM WhatsApp groups, rather than via self-service systems. We noted one example where a PM developed their own guidance document and shared this with others to address a common query.</p>	<ol style="list-style-type: none"> <li>1. Build in enough time to update associated knowledge articles into all product change projects prior to project close.</li> <li>2. Perform a cleanse of all existing Branch Hub and BSC product knowledge articles to remove outdated ones and add in the latest product guidance.</li> <li>3. Consolidate product knowledge guidance on to Branch Hub and re-communicate its location to PMs through the updated PM Support Guide.</li> </ol>	Katrina Holmes	Tracy Marshall	Short term – following 12 weeks (End August 2021) 	

## 7.2 BAU (Continuous Activities): Improvements Identified


Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BC14	<p><b>Lack of Investment in Supply Chain Technology</b></p> <p>There has been a lack of investment in Supply Chain technology, resulting in PMs not having access to equipment that supports effective management of cash and stock. Examples include:</p> <ol style="list-style-type: none"> <li>1. Stock auto-replenishment: There is no replenishing model to provide POL with sight of branch stock levels and allow auto-generation of orders when stock items are running low. Currently PMs must monitor their own stock levels, which is an inefficient use of PM time and can lead to stock availability issues.</li> <li>2. Stock order tracking: PMs cannot track the status of stock orders from dispatch through to planned / expected delivery date. This gives rise to a lack of certainty for the PM and results in calls being placed to POL querying when deliveries will be made, as well as potential wastage due to additional orders being placed. Stock orders are currently placed on a planned order schedule set by POL; the ordering process is not dynamic or intuitive for PMs.</li> <li>3. Manual stock entry: There is no automated stock entry system in place, with branches required to physically book in stock on a line-by-line basis, using the correct stock codes. While cash pouches can be booked in using a barcode on the front of the pouch, stock items, such as stamps, cannot be booked in in this way due to Horizon system limitations. This results in a slow and manual process, with an increased risk of entry error.</li> <li>4. CViT driver PDAs: The PDAs used by CViT drivers to record the movement of stock between dispatch and branch delivery operate on end-of-life software which is prone to failure. This can result in deliveries being manually recorded on paper forms for part of the delivery round, thereby increasing the risk of manual error. Further, PDAs do not update centrally in real-time and must be downloaded at the end of each day when drivers return to the depot. Where paper forms have been used, the details must be manually input, which is time consuming and inherently prone to error.</li> </ol> <p>Plans currently being considered are as follows:</p> <p>For point(s) 2 and 4. The 'Future of Swindon' business case is intended to address auto-replenishment of stock and manual stock entry issues.</p> <p>For point 3, High-level Horizon improvements are being considered by POL to address system enhancement and integration concerns, but no formal plans are currently in place.</p>	<p>The technology and systems involved in the supply chain process should be reviewed, with improvements considered in line with the specific recommendations below:</p> <ol style="list-style-type: none"> <li>1. Consider implementing a technical solution that allows stock auto-replenishment, at a stock level determined by the PM. This system should have the ability to generate orders automatically, at the discretion of the PM. This roll-out should be accompanied by clear training to each PM on how the system works.</li> <li>2. Consider implementing a technical solution that enables PMs to track stock orders in real-time and place additional orders when required.</li> <li>3. Replace the stock entry process with a new process and / or system that allows automated, barcode-based replenishment, to reduce the need to enter stock codes manually.</li> <li>4. Consider implementing a stock management system that allows stock movements and deliveries to be recorded in real-time, thereby reducing reliance on paper forms and removing the need to download delivery details centrally at the end of each day.</li> </ol>	<p>Gary Walker - IT systems perspective;</p> <p>Andrew Stevens - stock replenishment</p> <p>Johann Appel – Internal Audit Assurance</p>	<p>Russell Hancock</p>	<p>Short term – following 12 weeks (End August 2021)</p> 

## 7.2 BAU (Continuous Activities): Improvements Identified




Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BC15	<p><b>Absence of Consistency in Loss Reclamation</b></p> <p>Where a branch loss is established, POL processes are not in place to reclaim such losses. For example, if there is an instance where a PM intentionally misappropriates POL funds and admits to doing so, clear and consistent POL processes are not in place to reclaim the balances accordingly.</p> <p>This creates a risk that PMs are not treated consistently and / or fairly by POL, with some PMs choosing to make payments for established losses, whereas others do not.</p>	<ol style="list-style-type: none"> <li>1. Agree a set of processes for recovering established losses, as per POL's vision and risk tolerance.</li> </ol>	TBC by POL	Tim Perkins	<p>Medium term – FY2122 end (End March 2022)</p> 
BC16	<p><b>Lack of Third-Party Data Integrity Reviews</b></p> <p>POL relies on client and supplier data in order to complete branch account reconciliation and client settlement activities and ultimately ensure PMs receive the correct remuneration. It is unclear what processes are in place to gain assurance regarding the integrity of data that is consumed in order to complete these activities. It is also unclear who is responsible for completing this activity, what happens when an issue is identified and who is responsible for resolving.</p> <p>A recent example has been flagged to the HMBU regarding errors that have been identified in the Camelot data file that could have had a detrimental effect on PMs'. A review has been completed of the case, but it is unclear as to whether this is an isolated case or if the two PMs' have suffered detriment.</p>	<ol style="list-style-type: none"> <li>1. Consider current end-to-end approaches to managing the integrity of third-party data, including identifying areas where any data errors could lead to PM loss.</li> <li>2. Define the required process that would need to be implemented to ensure data assurance process meets standards.</li> <li>3. Complete a gap analysis on data processes/consumption flows that don't meet the required standards.</li> <li>4. Where such high-risk areas and gaps are identified, establish processes to gain further assurance around the accuracy of data flows.</li> <li>5. Agree a process for flagging data issues and a process for resolution of them that is in line with obligations to fix, size detriment and disclose.</li> </ol>	Matt Warren	Rob Wilkins	<p>Medium term – FY2122 end (End March 2022)</p> 
BC17	<p><b>Provision of security equipment based on risk-based costing rather than PM safety requirements and comfort</b></p> <p>The provision of security equipment to PMs (such as reinforced protective casings around branch counters) is currently driven by a risk-based approach to costing, based on branch locations, rather than the safety requirements and comfort levels of individual PMs and staff working within branches.</p> <p>For example, certain equipment is marked as 'high risk' and can only be provided to 'high risk' branches, with any requests from PMs in lower-risk branches being declined.</p> <p>There are clearly cost implications associated from a wider approach but building equipment provision around what PMs require in order for them and their staff to feel safe and supported in their role (rather than a cost-based risk classification) would enable a higher level of support to be delivered by the security team.</p>	<ol style="list-style-type: none"> <li>1. Consider the implementation of an 'exceptions process' that enables PMs in lower risk level branches to request and receive additional security equipment (such as reinforced protective casings around branch counters), based on their individual requirements and sense of safety.</li> <li>2. Where PMs request additional security equipment, above and beyond the automatic allocation, such requests should be reviewed by the security team and, if determined to be conducive to supporting the PM and their members of staff's wellbeing, provided.</li> </ol>	Mark Raymond	Tim Perkins	<p>Short term – following 12 weeks (End August 2021)</p> 




## 7.2 BAU (Continuous Activities): Improvements Identified

Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BC18	<p><b>Lack of clarity and communication around support function roles and responsibilities</b></p> <p>Whilst PM facing-support teams (with the exception of Cash Management) have been brought together into one 'PM Team' under the Retail &amp; Franchise Network Director, the roles and responsibilities of, and linkages between, the teams are not clearly defined and communicated to PMs and staff within the teams.</p> <p>For example, changes to support function names are not clearly communicated to PMs, resulting in confusion. In particular, the Cash Management team was recently renamed as the Inventory Management team, but due to a poor communication programme PMs were not adequately aware of this change and have thus not been willing to engage with outbound calls from this team.</p>	<ol style="list-style-type: none"> <li>1. As part of the future OE work, the structure showing the support teams which are responsible for each area should be revised and documented, with a simple approach created that clearly identifies each team's areas of responsibility.</li> <li>2. The support teams should receive consistent training and communications on A) What their roles and responsibilities are; and B) What roles and responsibilities other areas of the support function offer, to allow them to point PMs in the right direction for further support.</li> <li>3. The communications strategy for informing PMs of the support options available to them should be embedded within Branch Hub, alongside a, multi-channel communication approach. This should include updating the PM's Support Guide to incorporate a section clarifying each team's roles and responsibilities.</li> </ol>	Mel Fischer	Tim Perkins	<p>Short term – following 12 weeks (End August 2021)</p> 

## 7.2 BAU (Continuous Activities): Improvements Identified

Low-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BC19	<p><b>Ineffective Methods and Forums for Communicating to PMs</b></p> <p>The methods and forums that POL uses to communicate to PMs are not consistently tailored to the requirements of PMs. This can lead to PMs (who may be busy in branch and unable to answer phone calls, for example) not receiving or being able to respond to POL's communications, resulting in a lack of support provision and delays in resolving issues.</p> <p>There is an ambition to move more interactions on to Branch Hub, including potentially broadening the web chat element to cover more support functions, beyond IT.</p> <p>Additionally, a review of the support guide is underway and the adjusted version will be re-shared with PMs.</p> <p>Please refer to the communications theme (Ref 3.5) for further context around communications findings.</p>	<p>Review the communication strategy and approach for PMs and assess what forums are best suited to meeting PMs needs, including the following:</p> <ol style="list-style-type: none"> <li>1. Broaden the Branch Hub web chat functionality to enable more teams to provide real-time responses to PMs at a time that is convenient to them.</li> <li>2. Re-issue the PM Support Guide to all PMs in hard copy and digital formats.</li> <li>3. Define a communication policy around complaints and media, including social media, and provide AMs with support and a consistent approach for managing complaints. Train all AMs on best practice for managing complaints and use of the different channels.</li> </ol>	Mel Fischer	Tim Perkins	<p>Short term – following 12 weeks (End August 2021)</p> 
BC20	<p><b>Insufficient Security Team resources limiting proactivity</b></p> <p>It is unclear whether the proactive security support provides adequate support to PMs. There are 11.5k branches and only nine members of the security team, which limits the extent to which the team can provide support, training and guidance to PMs. This observation was further supported by feedback from the Security Team, who noted that the team predominantly work reactively (responding to issues as and when they arise) as they do not have sufficient headcount to perform proactive support activities.</p> <p>Work is currently underway to recruit a Security Awareness Manager to drive security comms and to ensure that the current Security Manager provision of 8 (UK coverage) is retained.</p> <p>The Security Ops Manual is currently being revised to make it more user friendly, including a review of tone and simplification where needed to make it clearer. This review will be concluded at the end of March prior to launch on to Branch Hub.</p>	<ol style="list-style-type: none"> <li>1. Conduct a resourcing assessment to determine the level of resources required for the security team to provide a strong level of proactive support for PMs, utilising relevant security-related MI and data such as from Grapevine. Where necessary, provide additional resources to support a larger and stronger security team, based on the aforementioned assessment.</li> </ol>	Mark Raymond	Tim Perkins	<p>Medium term – FY2122 end (End March 2022)</p> 
BC21	<p><b>Immature Cash Forecasting Processes</b></p> <p>PM Cash forecasting is performed manually in an Excel spreadsheet, which increases the risk of manual error and lowers the level of analysis and management information that can be provided. This may result in inaccurate cash forecasts and cash shortfalls in branches.</p> <p>Whilst a forecasting tool was originally planned as part of the CWC system implementation, it did not meet requirements and development was stopped.</p>	<ol style="list-style-type: none"> <li>1. Consider use of a more sophisticated cash forecasting tool to replace the Excel spreadsheet that is currently used to perform forecasting.</li> </ol>	Gary Walker	Russell Hancock	<p>Short term – following 12 weeks (End August 2021)</p> 

## 7.2 BAU (Continuous Activities): Improvements Identified

Low-Priority Improvements						
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date	
BC22	<p><b>POL processes are too manual and reliant on paper</b></p> <p>POL's key system processes involving PMs are frequently reliant on paper and are not suitably digitised. This leads to inefficiency, delays and errors when data is entered manually.</p> <p>For example, The PM expenses and remuneration process is very manual and reliant on two separate forms being printed and posted to the PM, who must fill it in and post back to the team to start the processing activities, which usually takes 7 days to complete. If any information on the form is incorrect the whole process needs to be restarted which causes unnecessary delays.</p> <p>Progress has been made to automate key processes through the introduction of Branch Hub, which reduces the manual input required in several process areas, such as requesting or notifying changes to branch opening hours.</p>	<p>1. Map and review key POL processes and challenge areas, including identification of where there is reliance on paper-based activities. All instances where paper-based or manual activities are required (e.g. sending forms via post) should be digitised to increase efficiency.</p>	Mel Fischer	Tim Perkins	<p>Medium term – FY21/22 end (End March 2022)</p> 	



## 7.3 BAU (Continuous Activities): Improvements Noted

The following table outlines the improvements made by Management in the past 12-18 months, in line with the strategic aim of putting PMs at the heart of the POL Business.

Reference Number	Improvement Name	Description
BC23	Introduction of Branch Hub	POL launched Branch Hub across the network in order to improve the level of self-service support available to PMs. There are over 9,500 branches registered to date on Branch Hub, with the tool allowing PMs to self-serve across a number of key support areas, including accessing knowledge articles. The tool is available 24 hours a day, 7 days a week, and enables PMs to receive basic levels of support at a time convenient for them and their business activities. The tool is under ongoing development, with new features added regularly by the implementation team.
BC24	Additional AM Support	The level of support provided by AMs has increased since April 2019, with a total of 94 AMs now supporting PMs across the network. Previously, such support was restricted to the central, largest branches, but is now available to all branches.
BC25	Branch Support Tools	<p>POL has introduced new tools to help PMs manage their businesses effectively and provide a higher quality of management information to POL and PMs around key branch metrics. In particular, please refer to the points below:</p> <ol style="list-style-type: none"> <li>1. The Branch Insight Tool has been introduced to give a snapshot of key branch operation indicators, such as cash declarations, calls to branch support, etc. This enables POL to identify branches where further support may be required and is shared with the applicable AM, who has the ability to focus on supporting PMs in these areas during their visits.</li> <li>2. POL has introduced a 'Missed Remuneration Potential' tool within the Branch Insight Tool, which provides high-level guidance to PMs around how they might increase their POL income, based on the performance of similar peers within their geographic area.</li> </ol> <p>However, further improvement is required in the area of management information. Please refer to finding BC4 for full details.</p>
BC26	Security Team Focus Change	The security team's role has been adjusted to focus on providing proactive, preventative service and support to PMs, moving away from their previous, reactive approach. In particular, the team have implemented Horizon scanning (to identify and provide communication around new crimes and ways that PMs may manage them) and works more closely with PMs to provide education and support. Additionally, security visits no longer take place unannounced and the PMs are consulted with to determine the best time for a security visit.
BC27	Introduction of One Touch Application	The security team are trialling an application called One Touch (owned by Grapevine) which enables PMs to report incidents (particularly those which are time sensitive) in a timely and simple manner. This will support busy PMs in avoiding having to leave the counter to make incident calls and allowing them to make reports in a manner that suits their working practices. This technology is currently being tested in 35 branches and, if successful, will be rolled out in 2021 / 2022.
BC28	Supply Chain Correspondence Review	Support and Branch correspondence from POL to PMs has been reviewed to ensure that it is fit for purpose, aligns with POL's purpose, and properly supports PMs and branch colleagues. This review has included an assessment of the tone, with changes made where necessary. Additionally, the time limit for branches to respond to letters (where required) has been increased to 2 weeks from the previous 5 working day limit.
BC29	Stock Management Knowledge Articles	Stock knowledge articles were written in December 2020 and are available on Branch Hub to provide PMs with key information around the ordering process and stock returns. These have been communicated to PMs to support increased awareness in this area.
BC30	Remuneration increases	POL has increased the remuneration offered to PMs across several key product areas as of April 2020. This has resulted in a £37m increase in POL's gross spend on remuneration between FY2018 – FY2019 and FY20 – FY2021. This represents an average of a 10% increase in PM remuneration.
BC31	Streamlining of stock ordering process	The stock ordering process has been simplified following the ordering process being placed onto Branch Hub. The Horizon process for ordering stock was lengthy and cumbersome, with the Branch Hub process seen as more efficient.

## 7.3 BAU (Continuous Activities): Improvements Noted (continued)

Reference Number	Improvement Name	Description
BC32	Property Team Help Guides	Help guides and videos have been introduced on Branch Hub by the property team, in order to provide the PMs with stronger support around how to manage POL equipment appropriately (e.g. weighing scales, tills) and reduce the risk of equipment failure.
BC33	Increased PM Involvement in Change Process	The Branch Operations team has adjusted the change management process in order to engage PMs at earlier stages of key change projects. In particular, a branch user forum has been established, which is a monthly meeting for PMs to provide input into key change programmes. Additionally, POL PMs are invited via this forum to attend regular project workstreams and provide feedback from an end-user perspective.
BC34	Transaction Correction MI Analysis	Plans have been drawn up by the support team to analyse transaction correction disputes, in order to establish the root cause of groups of disputes and provide further support to PMs (or adjust POL processes) where pain points are noted.
BC35	Security Manual	There is a planned roll out of a refreshed 'Security Manual' from the security team. This will provide easy-to-use guidance to PMs around key security operations and the support available from the security team. This will be rolled out in March or April 2020 and subsequently added to Branch Hub.
BC36	PM Policies	<p>POL has drafted a suite of PM policies, which were deemed necessary to facilitate GLO compliant support to PMs. This includes the following policy areas: Network Monitoring and Audit Support, Network Cash, Stock Management, Transaction Corrections, PM Account Support, PM Accounting Dispute Resolution, PM Contractual Performance, PM Suspension, PM Termination, PM Appeals, PM Accountability and PM Complaint Handling.</p> <p>Following approval of the policies above, POL will establish programmes to ensure that A) All relevant teams are trained on the new policies by February / March 2021; B) The policies are reviewed annually (and approved at the RCC) from March 2021; and C) An overarching PM support document is in place, linking all relevant policies and processes in one place, by the end of March 2021.</p>
BC37	Hothousing Programme (Phase 1)	Since the issuance of the CIJ, POL initiated the Hothousing programme which consisted of an in-depth dive for AMs on how to best optimise, attract more footfall and increase remuneration for branches within their remit. Whilst the programme is currently on hold due to COVID-19, the outputs of this programme included additional functionality to the Branch Insight Tool as well as the AM Playbook.
BC38	Supply Chain Cash Centre Discrepancies	The discrepancy process for cash discrepancies is currently under review, with an intention to create a new process that ensures PMs are treated fairly.
BC39	Security Communication Manager	POL are recruiting a security communication manager to drive communications at a campaign level and improve relations between the security team and PMs.
BC40	BSM to AM handover	Previously there was no handover between the BSM and AM at the six month point. However, plans are in place to improve this and implement a handover, as BSMs are brought into regional teams.
BC41	BSC to Supply Chain Training	POL plan to complete the roll out of branch support training to all SC colleagues that interact with PMs and branches (with the exception of CVIT crews). Training includes tone of voice, how to deal with difficult conversations and the wellbeing of call centre colleagues. The training session for team leaders took place on 1st October 2020 and the plan to cascade is still TBC.
BC42	BiT Tool	The BiT tool will be added to Branch Hub to enable PMs to access all types of data from conformance to remuneration potential. This data can currently only be viewed and shared by the AM with the PM via pdf, with PMs unable to access the data independently. Work to implement this change was begun and then placed on hold in November 2020. It is planned to restart from March 2021.

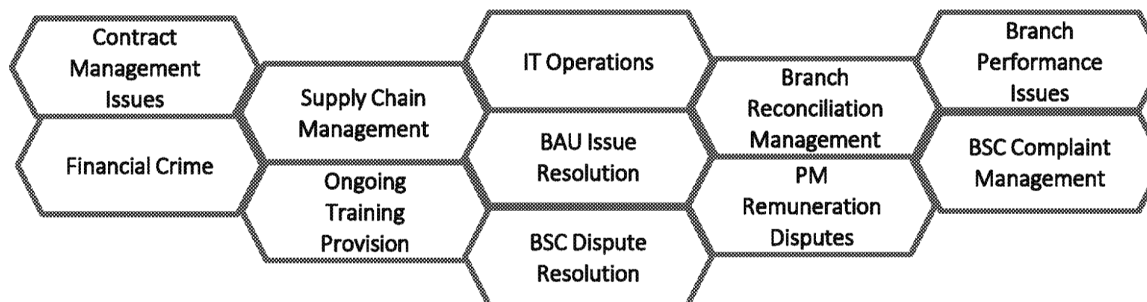
## 7.3 BAU (Continuous Activities): Improvements Noted (continued)

Reference Number	Improvement Name	Description
BC43	Supply Chain PM Champions	PM Champions working within each of the Supply Chain customer facing teams (including CVIT Depots) have been created. The role will work with central functions, communications and local teams to drive engagement and ownership of PM relationships within operational teams. The PM Champion pilot is now implemented, to trial this approach.
BC44	Hothousing Programme (Phase 2)	The Hothousing programme is currently paused due to COVID-19, however there are plans to restart the programme in the next financial year. The aim will be to take all of the current branches through the programme to optimise their retail performance.



## 8.1 BAU (Issue Resolution): Overview

### High-level Overview



Similar to the BAU Continuous Activities part of the PM journey, BAU Issue Resolution covers all day-to-day activities after the conclusion of BSM support provision (6-9 months after they commence service), but is focussed on interactions where an issue has been raised, by either POL or PMs and requires an action to resolve. It covers a broad range of critical process areas including, Supply Chain Management (relating to disputes or general issues), Branch Reconciliation Management (including accounting disputes, transactional corrections and all other issue resolution), IT operations (relating to system integration), ongoing training provision where issues have been identified, PM remuneration disputes, Branch Support Centre dispute resolution and complaint management, financial crime (including training and investigative support), Contract Management issues and Branch Performance Issues.

The following table sets out the number of findings or improvements identified by risk rating:

Rating	Planned or In Progress	Not Yet Started	Total
Urgent-Priority	3	0	3
High-Priority	3	0	3
Medium-Priority	1	1	2
Low-Priority	2	1	3
<b>Total</b>	<b>9</b>	<b>2</b>	<b>11</b>

## 8.1 BAU (Issue Resolution): Overview

### Summary of Improvements To Date

Over the past 18 months, POL has taken steps to improve the experience of Postmasters (PMs) trying to resolve issues related to their day-to-day activities. We noted 15 improvements in total during this Project which are complete, planned or in progress. These improvements include:

- **Call monitoring** - Call recording and monitoring was introduced within the PM Account Support Team in December 2020. The PM Account Support Manager now has access to recorded calls and monitors these on an ad hoc basis. Currently any development opportunities are picked up informally in a one to one meeting.
- **Rebranded Loss Prevention Function** - POL established a new Loss Prevention function in July 2019 under new leadership, which has since transitioned to 'Network Monitoring and Audit Support' to better reflect the activities of the team and reflect the move towards support opposed to a purely investigative function. The function has been focused on reducing losses to PMs and POL by increasing the level of monitoring across the branch network, increasing the level of support provided to branches and through more frequent, earlier intervention for branches having operational issues.
- **New approach to branch losses** - PO has carried out a review of its policy, processes and documentation relating to potential branch losses. The focus has been on supporting the PM and how they can get help with understanding any balances on their account.
- **Management of ATMs within the network** – The current contract with Bank of Ireland for ATMs will end in March 2022 - work is underway for the transition to POL control of the ATM network, with Vocalink contracted to manage dispute processes.
- **Microsoft Dynamics** – Use of the Microsoft Dynamics case management system has been extended across all Business Support teams. This tool allows cases to be passed between different members of the wider function and reduces the reliance on phone calls and emails for managing cases. This allows POL to maintain clearer case management information.



### Summary of Further Improvements Identified

We identified three urgent-priority, three high-priority, two medium-priority and three low-priority improvement opportunities within the BAU Issue resolution work stream, to further enhance the PM experience. The urgent-priority findings are summarised below, with full details and recommended actions provided in the following section.

- **Maintained Error Limits** – Where there is a difference in a POL settlement account for a branch affecting process (for example ATM or Lottery) of specific amounts rather than issue a transaction correction which would move the difference to a PMs' branch account, the amount is instead 'written off' to a POL P&L account. These differences could result in a write off being a cost or a benefit to the PM.
- **Settle Centrally** - Currently PM's can only 'Settle Centrally' for amounts of £150 and above, any amount less than this currently need to be 'made good' by PM's, using either cash or cheque. BRT no longer use maintained error limits. However, there is a min/max cap set in Horizon that needs to change to let low value credit TCs flow to PMs'.
- **ATM transaction disputes** – There is a lack of effective procedures in place to manage ATM transaction disputes, raised by customers through Bank of Ireland (BoI), who are the Link member currently managing the POL ATM network. The issue has existed since BoI took over management of the ATM network in 2005 and possibly prior to this under the previous provider, Alliance & Leicester - the level of detriment to PMs over this period is, as yet, unknown.


The high-priority improvements we identified related to the accounting dispute process, the complaints handling processes, and an absence of SLAs for issue resolution processes.

## 8.2 BAU (Issue Resolution): Improvements Identified




Urgent-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BI1	<p><b>Maintained Error Limits</b></p> <p>Where there is a difference in a POL settlement account for a process affecting branches (for example ATM or Lottery) for a specific amount which varies by product, rather than issue a transaction correction which would move the difference to a PMs' branch account, the amount is instead 'written off' to a POL P&amp;L account. These differences could result in a write-off being either a cost or a benefit to the PM.</p> <p>BRT no longer use maintained error limits. However, there is a min/max cap set in Horizon that needs to be updated to allow low value credit TCs to flow to PMs. This is in progress with the Horizon IT team. KPMG are reviewing the detriment that this procedure could have caused in the past.</p>	<p>Remedial actions have already been identified and these actions should be completed in order to resolve the issue, specifically:</p> <ol style="list-style-type: none"> <li>1. Identify and resolve issue in Horizon that is still impacting the resolution of the issue.</li> <li>2. Identify the detrimental impact to PMs from the issue.</li> <li>3. Resolve detrimental impact (decision on whether Net or Gross amount will be used).</li> <li>4. Confirm approach for disclosure of the issue to PMs' and initiate the process of refunding.</li> </ol>	Jacki Adams	Tim Perkins	<p>ASAP – next 12 weeks (End May 2021)</p> 
BI2	<p><b>Settle Centrally</b></p> <p>Currently the PMs can only 'Settle Centrally' for amounts of &gt; £150 and any amount less than this currently needs to be 'made good' by either cash or cheque by the PM each month. Also, there is no dispute functionality within Horizon in order to allow PMs to easily dispute any amounts that have been 'settled centrally'.</p> <p>POL are working on the fix to reduce the Settle Centrally amount to £0. This is in plan to go live 10th March 2021. Following this the terminology 'settle centrally' will be reviewed and replaced as a subsequent change.</p> <p>KPMG (who are working with POL on the actions following HJ) have identified the need for a 'dispute' functionality within Horizon to challenge shortfalls. Part of the KPMG action plan is to extract keystroke information from Horizon.</p>	<ol style="list-style-type: none"> <li>1. Remove the set £150 limit to allow PMs to settle centrally for any value of transaction correction.</li> <li>2. Determine whether a minimum level should be set, whereby small transaction issues are not investigated due to the time and cost involved (retaining the option to review where a recurring pattern emerges).</li> <li>3. Document reason for continued way of working pre-10th March.</li> <li>4. Incorporate the dispute related findings from KPMG report into the dispute resolution procedures, to help ensure that PMs are aware of new functionality to dispute shortfalls.</li> <li>5. Review the end-to-end transaction correction (TC) processes to be clear and comfortable that they work and that there are no additional issues in the process, that have not already been identified.</li> <li>6. Internal Audit should review the TC processes to review and assess the controls in place.</li> </ol>	Jacki Adams	Tim Perkins	<p>ASAP – next 12 weeks (End May 2021)</p> 





## 8.2 BAU (Issue Resolution): Improvements Identified

Urgent-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BI3	<p><b>ATM transaction disputes</b></p> <p>There is a lack of effective procedures in place to manage ATM transaction disputes, raised by customers through Bank of Ireland (BoI), who are the Link member currently managing the POL ATM network.</p> <p>There is a risk that PMs' may have suffered financial detriment as a result of the way ATM Transaction Corrections have been issued to branches in the past. Previously, a customer would make a claim to their card issuer for any cash that they claimed was not received at an ATM. The card issuer would then raise the query with BOI who would have 15 days to investigate. BOI typically sat on this for 14 days and then asked POL to investigate. If POL could not provide evidence of a balance, a surplus or whether fraud had been reporting, BOI would automatically deduct the amount from the settlement with POL. These discrepancies would then be passed on to the PMs' as a Transaction Correction, who may be asked to cover a reported shortfall that they are not responsible for.</p> <p>The issue has existed since BoI took over management of the ATM network in 2005 and possibly prior to this under the previous provider, Alliance &amp; Leicester - the level of detriment to PMs over this period is, as yet, unknown.</p> <p>The contract with BoI for ATMs will end in March 2022 - work is underway for the transition to POL control of the ATM network, with Vocalink contracted to manage dispute processes.</p> <p>POL now request that BoI make contact within 7 days of a claim being made, in order to provide relevant information (BoI have 15 days to respond on a claim, previously they may have waited until the 14th day to request information, if it had not been received automatically through ATM balance data for the relevant machine). POL are also investigating whether there are any fixes that can be used to help prevent fraudulent transactions.</p> <p>The process of raising TCs by the BRT team was paused in December 2019 on the receipt of the CIJ. However, the process started again in June 2020. It is unclear at this stage why the process was restarted. It was stopped again later in 2020/21. The HMBU team will be covering the time period between HNG-X and HNG-A to provide opportunity to resolve from PMs'. However, PMs' may have suffered detriment during the time periods when TCs were still being issued.</p>	<ol style="list-style-type: none"> <li>1. Identify any further procedural improvements that can be initiated with BoI to strengthen the temporary solutions that can be put in place in the interim of on-boarding the new supplier</li> <li>2. Review what interim improvements can be made to help and encourage PMs' to complete the necessary ATM balances on a weekly basis.</li> <li>3. Document procedures for managing and investigating ATM transaction disputes and identify the actions to be taken for each instance type both for current and future state.</li> <li>4. Identify the detrimental impact to PMs' from the issue historically, where possible</li> <li>5. Resolve detrimental impact</li> <li>6. Confirm approach for disclosure of the issue to PMs'.</li> <li>7. Ensure the new process for managing ATMS is fit for purpose and prevents these issues happening in the future.</li> <li>8. Continue with delivery of ATM change programme, to be implemented following end of the current contract with BoI in March 2022.</li> </ol>	Wendy Luczywo	Martin Kearsley	<p>ASAP – next 12 weeks (End May 2021)</p> 

## 8.2 BAU (Issue Resolution): Improvements Identified

High-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BI4	<p><b>Accounting disputes process</b></p> <p>Accounting Disputes processes have not been clearly documented and effectively communicated to relevant POL staff and guidance produced and shared with PMs so that it is clear that they understand the options available to them and what the procedures and timescales are for reply/resolution.</p> <p>There is a Disputes team in place within Branch Reconciliation team, but a documented process is not yet in place. An overarching policy guide has been prepared and is going to ARC in March for approval.</p>	<ol style="list-style-type: none"> <li>1. Agree and finalise the Accounting Disputes resolution procedures and overarching framework.</li> <li>2. Develop guidance information for PMs on the procedures from their perspective.</li> <li>3. Communicate Policy and procedures to relevant POL staff (particularly those interacting directly with PMs) and provide training, as required.</li> <li>4. Communicate guidance to all PMs so they are fully aware of the processes available to them.</li> </ol>	<p>Accounting Dispute - Jo Milton / Neil Davey</p> <p>Overarching Policy Document - Jo Milton</p>	Tim Perkins	<p>ASAP – next 12 weeks (End May 2021)</p> 
BI5	<p><b>Complaints handling processes</b></p> <p>Complaints processes have not been clearly documented and effectively communicated to relevant POL staff and guidance produced and shared with PMs so that it is clear that they understand the options available to them and what the procedures and timescales for reply/resolution are.</p> <p>The PM Complaints Handling Policy is going to ARC in March for approval.</p> <p>An overarching policy guide has been prepared and is going to ARC in March for approval.</p>	<ol style="list-style-type: none"> <li>1. Agree and finalise the Complaints Handling policy and procedures.</li> <li>2. Develop Guidance information for PMs on the procedures from their perspective.</li> <li>3. Communicate Policy and procedures to relevant POL staff (particularly those interacting directly with PMs) and provide training, as required.</li> <li>4. Communicate guidance to all PMs so they are fully aware of the processes available to them.</li> </ol>	Complaints - Mel Fischer	Tim Perkins	<p>ASAP – next 12 weeks (End May 2021)</p> 
BI6	<p><b>Absence of SLAs for issue resolution processes</b></p> <p>SLAs have not been set for issue resolution processes across POL and there is no effective monitoring in place for either efficiency or quality of POLs response to issues raised.</p> <p>This issue has already been identified and initial plans to remediate are underway.</p>	<ol style="list-style-type: none"> <li>1. SLAs should be developed for Issue Resolution related activities, relevant data should be identified to ensure that effective monitoring can take place.</li> </ol>	<p>Mel Fischer - Complaints</p> <p>Neil Davey – Accounting Disputes</p>	Tim Perkins	<p>ASAP – next 12 weeks (End May 2021)</p> 

## 8.2 BAU (Issue Resolution): Improvements Identified

Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
BI7	<p><b>Limited AM visibility over PM contractual obligations</b></p> <p>AMs have varied knowledge of the contractual obligations of the PMs within their remit. In order for an AM to have knowledge of contractual obligations, they have to request the information from the contracts team and there is no other way to access this information.</p>	<ol style="list-style-type: none"> <li>1. Assess what contractual information should be made available to AMs to allow them to understand and identify what might constitute a breach of contract.</li> <li>2. Make the schedule of key contractual obligations from PM contracts available within BiT and within the Playbook so AMs can execute their duties, and regularly monitor against PM obligations (linked to finding 8).</li> </ol>	David Southall	Andy Kingham	<p>ASAP – next 12 weeks (End May 2021)</p> 
BI8	<p><b>Lack of consistency in AM's approach to branch performance management and issue resolution</b></p> <p>AMs' understanding of branch performance management (as defined by POL around branch optimisation, revenue growth, non-adherence and branch related issues) is not clear as different AMs interviewed had differing views of this. Most AMs articulated the bulk of the role is resolving and helping PMs with any questions while relaying management information. In this sense, they act more as a middle man than a traditional AM operating in the retail sector. All except one AM knew branch performance management includes helping the PM to grow their business. A few were unaware that POL conducted branch performance management.</p> <p>AMs have a wide remit to deal with issue resolution which is based on AM experience and as such, can vary significantly amongst individuals. This is compounded by the number of branches that a AM has within their remit, which can range from 75-125 branches. As a result, AMs do not have the capacity to apply the same level of proactive support and management across all their branches.</p>	<ol style="list-style-type: none"> <li>1. Create a clear framework with a set of SOP's for the AMs to help consistently deliver branch performance in relation to branch optimisation, revenue growth, non-adherence or branch related issues. These SOP's could be referenced within the AM support guide.</li> <li>2. Communicate the framework clearly to the Regional Managers who would then be tasked with reviewing how best to roll out the framework across the AM network. This will entail communicating and training three core components out to the AMs: <ul style="list-style-type: none"> <li>- To clearly articulate the roles and responsibility of an AM and specifically what branch performance management refers to and their responsibility in this process;</li> <li>- To clearly articulate the incentivisation to grow PMs branches irrespective of tiers; and</li> <li>- To clearly articulate to the AMs how to do this through SOP's, guidance materials and usage of tools/resources (e.g. Hothouse programme)</li> </ul> </li> <li>3. POL should be aligned on the definition of branch support and notify PMs.</li> <li>4. Review the capabilities of an AM within the network in accordance with the redefined roles and responsibilities together with conducting an assessment of the AM capacity to execute the redefined roles and responsibilities.</li> </ol>	Regional Managers	Andy Kingham	<p>1. ASAP – next 12 weeks (End May 2021)</p> <p>2. Medium term – FY2122 end (End March 2022)</p> 

## 8.2 BAU (Issue Resolution): Improvements Identified

Low-Priority Improvements						
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date	
BI90	<b>Inconsistent terminology</b> Terminology can be confusing – i.e. 'Tiers' is used within a number of different areas across POL and means different things to different people - it can relate to BSC call teams, Post Office branch size and Contract team actions.	1. Review use of terminology across Business Support Teams.	Mel Fischer	Tim Perkins	Short term – following 12 weeks (End August 2021)	
BI10	<b>Resource constraints</b> Reductions in the BSC team previously have led to delays in call answering and the ability to effectively resolve issues raised by PMs in a timely manner. Resource constraints have limited the ability for the BSC to make improvements, such as wider call answering hours and better quality assurance of call handling. We note that one action has been taken to date with the team size increased again recently, but further work is needed in order to provide a fully effective service to PMs  The OE work that is planned for Tranche 2 will help resolve and make sure the teams are structured better, with flexibility built into roles, to provide a better service to PMs'.	1. Assess service delivery timescales to PMs to assess whether additional service support resources are required to provide an efficient and timely service to PMs.	Mel Fischer	Tim Perkins	Medium term – FY2122 end (End March 2022)	
BI11	<b>Lack of formal feedback channels for PMs</b> There are no formal document feedback procedures in place to assess whether dispute or issue resolution activity has been effective and the issues/disputes have been resolved satisfactorily, from the PM perspective.  As part of Neil Davey's Accounting Dispute review, a survey will be sent to PMs' to understand a baseline satisfaction level with Accounting Dispute investigations.  Complaints will no longer be closed until a PM indicates satisfaction with the resolution.	1. Formal feedback avenues from PMs should be integrated into the service provided by the team e.g. following a dispute, to determine whether help and support has been effective. Branch Hub could be used for this.  2. Ensure there is an appropriate forum identified for PM-facing teams, such as the Disputes Team to feed this back to the business.	Neil Davey Mel Fischer	Tim Perkins	Short term – following 12 weeks (End August 2021)	



## 8.3 BAU (Issue Resolution): Improvements Noted

The following table outlines the improvements made by Management in the past 12-18 months, in line with the strategic aim of putting PMs at the heart of the POL Business.

Reference Number	Improvement Name	Description
BI12	Support Guide	The PM Support Guide now outlines the support that PO can provide to PMs. The goal for the guide is sharing what the support looks like, so every PM can access support when they need it and to ensure PMs are aware of the most up-to-date support available to them. The Guide confirms the sources of support, including face to face, telephone and digital.
BI13	BSC Restructure	<p>We were informed that focus has been placed on support for PMs under the new PO strategy which changed with the PO vision of putting the PM first. This includes from a Tier 2 perspective, doing more for branches to avoid discrepancy issues being unresolved. There was a restructure of the BSC in November 2020.</p> <p>There has been a piece of work on culture and tone, with focus on call handling and customer service skills. Call listening and scoring mechanisms have been introduced, with quality and coaching in place. It is also believed that there is now an opportunity for improvement in this area where previously resource constraints and cost cutting initiatives have hampered change.</p>
BI14	Case Management Processes	The processes have changed and have been implemented for managing cases and this is detailed in new policies for suspension, termination and contractual performance. As a result of these changes, POL has significantly reduced the number of branches it suspends (from 71 to 3 in 19-20 to 20-21).
BI15	Microsoft Dynamics	Use of the Microsoft Dynamics case management system has been extended across all Business Support teams. This tool allows cases to be passed between different members of the wider function and reduces the reliance on phone calls and emails for managing cases. This allows POL to maintain clearer case management information.
BI16	New Approach to Branch Losses	<p>PO has carried out a review of its policy, processes and documentation relating to potential branch losses. The focus has been on supporting the PM and how they can get help with understanding any balances on their account.</p> <p>POL has:</p> <ul style="list-style-type: none"> <li>• Ceased the practice of automatically deducting payments from fees.</li> <li>• Set up dispute options for PMs and focused on flagging the opportunity to dispute discrepancies and transaction corrections at the earliest possible opportunity. See Transaction Corrections on tab 'Branch Standards'.</li> <li>• Updated processes to reflect a new way of working that supports the PM.</li> <li>• Reviewed letters sent to PMs (to ensure message of support).</li> <li>• Created a call script to support the PM Account Support Team when speaking to PMs about their discrepancies, with focus on ensuring that the PM fully understands the reason for the discrepancy and can be encouraged to have the discrepancy investigated.</li> <li>• From December 2020, the PM Account Support Team began proactive engagement, contacting PMs by telephone, prior to sending a discrepancy notification letter out to provide a further opportunity for the PM to understand how POL can support with their discrepancies.</li> </ul> <p>NOTE: previously the focus was on recovering losses from the PM, with remuneration deductions if necessary. The above has changed this focus.</p>

## 8.3 BAU (Issue Resolution): Improvements Noted (continued)

Reference Number	Improvement Name	Description
B17	Network monitoring and audit support	<p>Audit - There has been a lot of focus on improvements in this area, with the goal of creating a more supportive experience for the PM and changing the perception of the audit function (historically perceived negatively in the eyes of PMs). 'Audit' terminology has been amended e.g. renamed auditors as 'audit and support advisors'.</p> <p>Attendance - POL now ensures that a minimum of two Audit Advisors attend any audit. This is to ensure that there is consistency and accuracy in the audits. Each audit has a lead Auditor who is supported by at least one support Auditor. The number of auditors attending each branch will depend on the size of the branch, with more auditors attending larger branches in order to complete the audit as quickly as possible and allow the branch to re-open.</p> <p>SPEAR - New support visit known as a SPEAR visit, which is completed by the Audit Advisor team (SPEAR stands for Support, Prevent, Educate, Assure and Respond). These are visits aimed to support PMs with issues identified by the Branch Analysis team (who monitor the network) where an audit may have been used in the past. For example, a branch with higher levels of cash or stock than expected for their trade who isn't returning cash or stock would have a SPEAR visit rather than an audit. These visits can be completed whilst a branch continues to trade and are attended by a single Audit Advisor.</p> <p>As a result of COVID, more activity over the phone rather than through visits to branches which has resulted in more frequent, earlier intervention and support for branches, which has reduced loss levels for PMs.</p> <p>Audit Rationale Document - introduced to be shared with a PM at the outset of an audit. The purpose of the document is to ensure PMs understand the reason for an audit being completed.</p> <p>Telephone Quality Assurance - introduced a follow up telephone call to a random sample of PMs after an audit to quality assure the PM's experience of the audit and for any feedback or questions that a PM has after an audit to be followed up on by the Area Audit Managers. – 87% were satisfied (118 calls) or very satisfied with the summary of the audit they</p>
BI18	Call Monitoring	<p>Call recording and monitoring was introduced in the PM Account Support Team in December 2020. The PM Account Support Manager now has access to recorded calls and monitors these on an ad hoc basis. Currently any development opportunities are picked up informally in a one to one and there is no formalised documentation to show this has taken place. However, a programme has been put in place in conjunction with the Branch Support Quality and Training Manager, so that action plans can be developed for individual advisors in the PM Account Support team.</p>
BI19	Grapevine scripts	<p>Grapevine scripts have been reviewed and improved to incorporate a more supportive tone e.g. offering trauma support for PMs (where previously feedback from PMs was that the focus was on loss opposed to support). Calls to Grapevine and outbound calls by the Security Team are now sampled by the Security Team (10 per month) and Grapevine themselves (30 per month) to ensure that calls are being handled correctly. Cross-communication is shared between both teams in this regard. The idea is that the calls should now be about listening to the PM and empathetic conversations. Feedback is then provided to the team if issues are found. However, no feedback is sought directly from the PM on the latter.</p>
BI20	Stopping the closure of branches for loss investigations	<p>Branches were previously automatically closed for loss investigations for any losses over £1k, which would cause the PMs distress as trading was stopped. We were informed that a judgment call is now made on a specific incident basis whether there is a need to close the branch. PMs views are now listened to as part of this process.</p>

## 9.1 Off-Boarding: Overview

### High-level Overview

The Off-Boarding process is the final part of the PM Journey and as such the PM's experience at this stage is crucial in maintaining the POL-PM relationship and protecting POL's reputation. Placing PM interests at the heart of this process is key to POL meeting their wider objective of cultural change.

Off-boarding can be split into 3 separate areas:

- **Termination due to contractual breach** - If a PM is in serious breach of their contract, then that PM will be subsequently suspended. Once suspended an investigation will be carried out by the contracts team to confirm that POL has justified grounds to terminate the PM's contract.
- **Death in service** – If POL is notified of a PM's death in service, the first port of call is to check in on the next of kin, this is carried out by the Area Manager (AM). The contracts team will subsequently reach out to discuss the contractual options available to the branch.
- **Off-boarding of own accord (retirement, commercial transfer or resignation)** - If a PM wishes to resign, they will contact the on-boarding team who will subsequently send a notice to leave pack to be completed by the PM. This pack is processed by the on-boarding team who will subsequently notify the AMs and Network Provision Leads (NPLs') so that the process for finding a new PM can begin. A closure audit will subsequently be scheduled for the end of the PM's notice period and any discrepancies found will be settled or investigated further if required.

The following table sets out the number of findings or improvements identified by risk rating:

Rating	Planned or In Progress	Not Yet Started	Total
Urgent-Priority	1	0	1
High-Priority	0	1	1
Medium-Priority	3	1	4
Low-Priority	0	0	0
<b>Total</b>	<b>4</b>	<b>2</b>	<b>6</b>

## 9.1 Off-Boarding: Overview

### Summary of Improvements To Date

POL is taking steps to improve the off-boarding experiences of PMs. Improvements completed relates to the issuing and processing of the notice to leave pack which now completely resides with the on-boarding team **(OF7)**. the improvements that are currently in progress includes; a new termination appeals policy **(OF8)**, a new exit interview process for outgoing PM's **(OF9)** and a review of the role within the off-boarding process **(OF10)**.

### Summary of Further Improvements Identified

For Off-boarding we identified **one urgent-priority, one high-priority** and **four medium-priority** improvement opportunities to further enhance the PM experience. A summary of our findings can be found below, with the detailed findings documented in **Section 8.2**.

#### Urgent-Priority

- **Limitations in the Appeals policy for contract terminations or suspensions** – The appeals and dispute process regarding contract terminations or suspensions identified two Key issues;
  1. The policy has not been clearly communicated to PMs to ensure they understand the options available to them and that the procedures and timescales are clear.
  2. There is a contractual appeals policy in place for legacy contracts, which is clearly documented. However, for Locals and Mains contracts, the right of appeal was taken out. Work is underway to address this gap.

#### High-Priority


- **Perception of Bias in Investigation Process** - There is no clear objective party involved in the suspension, Investigation and termination process. While POL does appoint an independent party from within POL in the eyes of the PM this is still seen as POL against them. **(OF2)**

#### Medium-Priority


- **Absence of early warning indicators to flag issues** - No early warning alerts are configured in the Branch Insight Tool (BIT) to proactively alert AMs when a potential breach in contractual obligations occurs, such as acceptance of dangerous goods. **(OF3)**
- **Exit interviews are not systematically conducted**- There is no mechanism in place to collect PM feedback regarding the off-boarding process (exit interviews are not conducted), resulting in limited formal evidence why PMs are resigning that can be shared across the business. **(OF4)**
- **Lack of a formal off boarding training programme for Area Managers** - AMs are provided little and inconsistent training regarding the off-boarding process, as such the AMs interviewed gave an inconsistent view of what their role in the process is. **(OF5)**
- **No procedure to thank a PM for their service** - There is currently no procedure or requirement in place to thank a resigning PM for their service, this is down to the AMs discretion. **(OF6)**







## 9.2 Off-Boarding: Improvements Identified

Urgent-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
OF1	<p><b>Appeals and disputes for contract terminations or suspensions</b></p> <p>The appeals and dispute process regarding contract terminations or suspension has not been clearly communicated to PMs to ensure they understand the options available to them and that the procedures and timescales are clear. There is a contractual appeals policy in place for legacy contracts, which is clearly documented. However, for Locals and Mains contracts, the right of appeal was taken out. Work is underway to address this gap.</p> <p>A consistent appeals process is needed across all contracts. In the previous policy, PMs were able to bring representatives with them to the appeal meeting which was held with POL management, but POL should consider whether a panel approach, with non-POL membership (independent) might work better and be seen as a fairer process by PMs.</p> <p>A new appeals policy is currently being finalised which will allow PMs on all types of contracts to appeal a termination.</p>	<ol style="list-style-type: none"> <li>1. Create a clear and concise framework for the appeals process which outlines PMs rights and the processes which should be followed in raising a dispute. In addition to this it is recommended that this is communicated to the relevant stakeholders with clearly defined roles and responsibilities. The approach should consider the following items which will be in line with the new Standard Operating Procedure: <ul style="list-style-type: none"> <li>• Define what contracts should be within scope for the appeals/ dispute process i.e., all contracts.</li> <li>• Define at what point a PM can appeal or dispute i.e., at the point of suspension or at final decision.</li> <li>• POL to consider whether non-POL membership should be involved</li> <li>• Define the avenues available to the PM to appeal or dispute.</li> <li>• Identify and agree POL stakeholders to own and be accountable for the new appeals policy.</li> <li>• Finalise appeals policy in line with new SOPs and points above (Currently in progress) .</li> <li>• Communicate finalised appeals policy and process out to the relevant stakeholders.</li> <li>• Define and build training plan through collaboration with the contracts team and learning and development department.</li> </ul> </li> <li>2. Communicate policy and process to PMs.</li> </ol>	<p>David Southall (for recommendation 1)</p> <p>Rina Patel ( for recommendation 2)</p>	Andy Kingham	<p>ASAP – next 12 weeks (End May 2021)</p> 

## 9.2 Off-Boarding: Improvements Identified

High-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
OF2	<b>Perception of bias in Investigation process</b>  There is no clear objective party involved in the eyes of the PM during the Suspension, Investigations and Termination process, or where there has been appeal lodged regarding these items. This could be seen as evidence of POL bias or a failure to be impartial if the PM has no representation from their side involved in the process.	1. As part of the appeals and investigation process, POL should mandate that PMs together with POL appoint an objective representative on their part. It is advised that POL shares their initial conclusion, decision and actions to be taken against the PM with all supporting investigation materials handed over to the representative for a final decision.	David Southall	Andy Kingham	ASAP – next 12 weeks (End May 2021) 

## 9.2 Off-Boarding: Improvements Identified

Medium-Priority Improvements					
Reference Number	Finding	Recommendation	Responsible	Accountable	Progress & Suggested Completion Date
OF3	<p><b>Absence of early warning alerts to flag issues</b></p> <p>Whilst early warning indicators are contained in the Branch Insight Tool (BIT) (e.g. dangerous goods scanning data), no alerts are configured to proactively inform AMs on potential poor branch performance, which limits the ability of AMs to readily identify and investigate any such issues.</p> <p>Work is in progress to consider the possibility of configuring such alerts and further improving the data contained in the BIT.</p>	<ol style="list-style-type: none"> <li>Investigate the benefits of adding alert functionality to the BIT to proactively alert AMs regarding early warning indicators for struggling branches.</li> </ol>	Alex Todd	Andy Kingham	<p>ASAP – next 12 weeks (End May 2021)</p> 
OF4	<p><b>Exit interviews are not systematically conducted</b></p> <p>At the beginning of the project there was no mechanism in place to collect PM feedback regarding the off-boarding process (exit interviews are not conducted), resulting in limited formal information on why PMs are resigning. Information sharing with on-boarding is therefore limited as the feedback does not exist. At best there is an informal chat between the outgoing PM and the AM however this is completely up to the discretion of the AM.</p> <p>A new exit interview process is being developed in conjunction with the PMs' Effectiveness team. It is understood this will be launched in February 2021, with accountability for completing the survey sitting with the AM, and data analysis sitting with PMs' Effectiveness. Exit notifications will be issued by the PMs' Effectiveness Team.</p>	<ol style="list-style-type: none"> <li>Upon resignation, AMs to contact PMs in the first instance to understand the reasons why they are leaving.</li> <li>Make exit interviews mandatory for all outgoing PMs. The results from these meetings should be documented and collated such that common themes can be identified acted upon and shared across the business.</li> </ol>	Regional Managers	Andy Kingham	<p>Short term – following 12 weeks (End August 2021)</p> 
OF5	<p><b>Lack of formal training program for AMs</b></p> <p>AMs are provided little and inconsistent training regarding the off-boarding process, as such their role in the process is not clear. We noted that the AM playbook which acts as a library of knowledge for AMs did not contain documentation regarding the off boarding and branch performance processes.</p> <p>Plans are being considered to clarify the role of an AM within the off-boarding process and to roll out specific training to support the AMs'.</p>	<ol style="list-style-type: none"> <li>Create a structured and centralised training programme outlining the AMs role and responsibilities within Off boarding and branch management process. Training should include shadowing, classroom training and a mentoring system to share knowledge.</li> </ol>	Regional Managers	Andy Kingham	<p>Medium term – FY21/22 end (End March 2022)</p> 
OF6	<p><b>Lack of formalised procedure for thanking resigning PMs for their service</b></p> <p>There is no documented procedure or requirement in place to thank a resigning PM for their service, this is down to the AMs discretion. All of the AMs that we spoke to make the effort to meet and thank a PM for their service but due to lack of communication they often aren't aware that a PM is resigning until it is too late to schedule a visit. An example given was a resigning PM whose family had owned the same Post office since the 1940's did not receive a thanks for your service in any shape or form.</p>	<ol style="list-style-type: none"> <li>In the spirit of putting PMs at the heart of the business, all PMs should be thanked for their service either in person or via phone call, in addition to a written acknowledgement for formal thanks.</li> </ol>	Regional Managers	Andy Kingham	<p>Short term – following 12 weeks (End August 2021)</p> 

## 9.3 Off-Boarding: Improvements Noted

The following table outlines additional improvements made by Management in the past 12-18 months, in line with the strategic aim of putting PMs at the heart of the POL Business.

Reference Number	Improvement Name	Description
OF7	Process Improvements to Notice to Leave packs	The team have reviewed the process for issuing Notice to Leave packs for PMs and notifying the relevant PM support teams. The BSC will remain the contact point for PMs to request the packs but steps have been put into the process to ensure the on-boarding teams are made aware as well as AMs.



# Appendices

# Appendix A – Terms of Reference

The scope as set out below was agreed as part of the initial statement of work signed on 8 January 2021.

## SCOPE

The scope of this Project included:

- Analysing the current activities undertaken by POL in relation to PMs based around initial activity mapping undertaken and provided by POL in December 2020. This examined each of the four steps (below) of the PM journey, and looked at improvements made, in progress and planned to strengthen the PM experience across:

- On boarding – 69 activities
- Early Days – 47 activities
- Business as Usual (BAU) – a total of 204 activities, split into continuous activities (141) and those that relate to issue resolution issue resolution activities (63)
- Off boarding - 39 activities

Any existing material gaps in plans to strengthen activities have also been called out where appropriate.

- Considering wider thematic areas that could support strengthened POL interactions with PMs including factors such as:
  - Overall organisational strategy
  - Risk and Issues escalation and Management
  - Governance and Organisational Structure
  - Accountability and Responsibilities
  - Policies and Controls
  - Incentives and Performance Management
  - Performance Reporting
  - Communications and Relationship Management
  - Voice of the PMs Across the Business
  - Training

## SCOPE (CONTINUED)

- Reviewing relevant documentation and engaging with the leads of each business unit to understand the approach POL has adopted in relation to each activity and thematic area
- Presenting initial observations and findings to POL senior leadership

Note: The areas of the report covering improvements made, in progress and planned, are factual in nature and do not provide an overall assessment or opinion of this progress. The report is not intended to provide a fully exhaustive list of all potential future improvements that could be made.

## SCOPE LIMITATIONS

The following areas were out of scope for this work:

- Direct contact with PMs (although the Services included consideration of the extent to which the business engages with PMs to support the overall strategic aim of putting PMs at the heart of the POL business)
- Operational effectiveness testing and review of the underlying IT system controls/environment (activity was be focussed on user experience)
- Improvements in activities and process made prior to March 2019. Information on timings of improvements was obtained through discussion/documentation with management – the work did not seek to test or verify the timings of improvements made.
- Cost assessment of additional activities that could be used to further strengthen POL interactions with PMs.
- Consideration of the historical issues covered by the 2019 judgements.



## Appendix B – Prioritisation Ratings

The following table explains the rating methodology used to classify our findings and improvements identified:

Rating	Definition of Rating
Urgent-Priority	High priority, must fix issues – <b>non-compliance with the outcomes of the CIJ ruling</b> and / where there is a <b>detrimental impact</b> on Postmasters. Where <b>detrimental</b> means that there is a significant contractual issue and / or a negative financial impact on the Postmaster.
High-Priority	There is a risk of <b>potential detriment</b> to Postmasters, or a <b>significant reputational risk</b> to POL.
Medium-Priority	This change would <b>significantly improve</b> the Postmaster experience.
Low-Priority	It would be <b>beneficial</b> to make this change to improve the Postmaster experience.

The following table explains the definitions for timeframes for implementing our recommendations for the Priority Roadmap in **Section 2** of our Report:

Timeframe for Implementation of Recommendation	Definition
ASAP	To be implemented as soon as possible, with completion by the end of May 2021.
Short Term	To be implemented in the near future, after the 12-week deadline for ASAP improvements and before the end of August 2021.
Medium Term	To be implemented over the course of FY21/22, with completion reached before March 2022.
Long Term	Longer term and more complex recommendations which will remain a work in progress beyond March 2022.

## Appendix C – Summary of Meetings Held with POL Leadership

The following table summarises the meetings held with POL Leadership throughout the Project fieldwork period, including a summary of meeting name, date, POL attendees and summary of content presented:

Meeting Name	Date	POL Attendees	Summary of Content Presented
Postmaster Experience Roadmap Steering Committee	14 January 2021	Dan Zinner, Amanda Jones, Nikki James, Gayle Peacock	<ul style="list-style-type: none"> <li>Update on status of fieldwork, workshop plan, team structure, weekly reporting template and data capture format as well as discussion of SteerCo Terms of Reference.</li> </ul>
Postmaster Experience Roadmap Steering Committee	21 January 2021	Dan Zinner, Amanda Jones, Nikki James, Gayle Peacock	<ul style="list-style-type: none"> <li>Update on status of fieldwork, overview of roadmap for delivery</li> <li>Weekly progress report:               <ul style="list-style-type: none"> <li>On-Boarding and Early Days</li> <li>BAU Continuous Activities</li> <li>BAU Issue Resolution</li> <li>Off-Boarding</li> </ul> </li> <li>Observations and insights: Off-Boarding</li> </ul>
Postmaster Experience Roadmap Forum	27 January 2021	Nick Read, Declan Salter, Al Cameron, Dan Zinner, Amanda Jones, Russell Hancock, Jeff Smyth, Chrysanthi Pispinis, Gayle Peacock	<ul style="list-style-type: none"> <li>Overview of delivery</li> <li>Emerging work stream findings</li> <li>Emerging thematic findings: Governance and Reporting, Information Systems, Culture &amp; Values, Clarity of Team Roles, Performance Management</li> <li>Systems Map</li> <li>Emerging Roadmap</li> </ul>
Postmaster Experience Roadmap Steering Committee	28 January 2021	Dan Zinner, Amanda Jones, Nikki James, Gayle Peacock	<ul style="list-style-type: none"> <li>Reflections on GE session</li> <li>Observations and insights: On-Boarding and Early Days</li> </ul>
Postmaster Experience Roadmap Steering Committee	04 February 2021	Dan Zinner, Amanda Jones, Nikki James, Gayle Peacock	<ul style="list-style-type: none"> <li>Overview of interaction with POL stakeholders, issues identified (rated by risk category), roadmap approach, report structure, discussion of proposed format &amp; structure of Big Forum meeting and project progress summary</li> </ul>
Postmaster Experience Roadmap GE Forum	09 February 2021	Nick Read, Declan Salter, Al Cameron, Dan Zinner, Amanda Jones, Russell Hancock, Jeff Smyth, Chrysanthi Pispinis, Gayle Peacock	<ul style="list-style-type: none"> <li>Proposed options for risk classification methodology, summary of Ox Blood Red and Red findings, draft structure for roadmap</li> <li>Annexes: summary of Amber findings, list of stakeholders engaged, draft report structure and Internal Audit progress update against Norton Rose Fulbright recommendations</li> </ul>
Postmaster Experience Roadmap Steering Committee	11 February 2021	Dan Zinner, Amanda Jones, Nikki James, Gayle Peacock	<ul style="list-style-type: none"> <li>Feedback from GE Forum, summary of Ox Blood Red and Red findings, project timeline and validation approach</li> </ul>
Postmaster Experience Roadmap Steering Committee	18 February 2021	Dan Zinner, Amanda Jones,	<ul style="list-style-type: none"> <li>Update on draft roadmap, discussion of report tone, executive summary and comments on pre-read (draft findings)</li> </ul>
Postmaster Experience Roadmap GE Forum	23 February 2021	Nick Read, Declan Salter, Al Cameron, Dan Zinner, Amanda Jones, Russell Hancock, Jeff Smyth, Chrysanthi Pispinis, Simon Oldhall, Gayle Peacock	<ul style="list-style-type: none"> <li>Discussion of approach for Executive Summary, Roadmap and draft Ox Blood Red and Red findings</li> <li>Opportunity for comment on pre-read (full list of all draft findings, including improvements made and in progress)</li> </ul>



## Appendix D – List of Stakeholders Engaged

The following stakeholders were interviewed as part of this Project, between 11 January 2021 and 1 March 2021:

Group Executive		Franchise Partnering		Service and Support Optimisation		Strategic Partnerships	
Nick Read	CEO	Andy Kingham	Franchise Partnering Director	Tim Perkins	Service and Support Optimisation Director	Michael Brennan	Senior Partner Relationship Manager
Al Cameron	CFO	Shaun Kerrison	Head of Postmaster Engagement	Mark Raymond	Head of Security	Lynne Schofield	Senior Partner Relationship Manager
Dan Zinner	COO	David Southall	Contract Investigation and Resolution Manager	Alison Bolsover	Head of Branch Reconciliation	<b>Commercial</b>	
Jeff Smyth	CIO	Adam France	Regional Manager	Jo Milton	Senior Operational Improvement Manager	Martin Kearsley	Product Portfolio Director – Banking, Payments & Transactional Products
Ben Foat	Group General Counsel	Tony Sanghera	Regional Manager	Kendra Dickinson	Senior Manager, Service Centre	Chrysanthi Pispinis	Commercial Strategy and Planning Director
Richard Taylor	Group Corporate Affairs Brand and Communications Director	Iain Robertson	Regional Manager	Alison Clarke	Network Monitoring and Support	Mark Siviter	Product Portfolio Director – Mail, PUDO, Retail & Branch Identity
Amanda Jones	Retail and Franchise Network Director	Rhianydd Thomas	Playbook Product Owner	Colette McAteer	Branch Reconciliation Operations Manager	Ed Dutton	Product Portfolio Director
<b>Postmaster Effectiveness</b>		Cristina Scaramella	Area Manager	Mark Dinsdale	Security Manager	Wendy Lucywo	Head of ATMs
Tracy Marshall	Postmaster Effectiveness Director	Andy Pitts	Area Manager	David Johnson	Area Audit and Support Manager	Davyd Nash	Head of Product Delivery
Katrina Holmes	Head of Branch Operations Engagement	Steve Leddy	Area Manager	Olivia Eden	Network Monitoring Manager	Laura Plunkett	Head of Retail
Jayne Pardoe	Head of Postmaster Onboarding	Mo Warren	Area Manager	Eleanor Kimberley	Network Monitoring Manager	Charles Brown	Head of Client Services
Ranjeet Jouhal	Head of Training	Navjot Jandu	Area Manager	Bella Liu	Service and Support Insights Manager	Sam Conway	Royal Mail Account Manager
Sheinaze Aboobaker	Postmaster On-boarding	Steve Matthews	Area Manager	Chantelle Hird	Stock Support Advisor	<b>Supply Chain</b>	
Fatima Mogra	On-Boarding Support Advisor	Manish Mehta	Area Manager	Donna Bytheway	Branch Support Advisor	Russell Hancock	Supply Chain Director
Michael Haworth	Network Engagement Manager	Jesus de Sousa	Area Manager	Georgia Douglas	Branch Support Advisor	Darren Mullen	Head of Supply Chain Performance, Systems and Ops
Alina Lingard	Learning and Design Manager	Deepak Valani	Business Support Manager	Drew Mason	Network Monitoring & Support Analyst	Nick Trowler	Head of CVIT
Annemarie Woodcraft	Branch Resilience Manager	Gaurav Vyas	Business Support Manager	Lyn Thompson	Service & Support Administrator	Andy Preston	Head of Cash Planning and Performance
Nigel Green	QATL	Steve Utting	Contracts and Policy Advisor	Trevor Fidler	Branch Hub Programme Manager	Steve Norris	Head of Property
Helen Hope	QATL	Paul Williams	Postmaster Restrictions Advisor	Di Walker	Branch Hub Service & Support	Andy Stevens	Head of Stock Operations
<b>Network Performance and Optimisation</b>		Anjub Zuberi	On-site Trainer	<b>Strategy and Transformation</b>		Bryan Flynn	National Cash Centre Accounts Manager
Nick Beal	Network Performance Optimisation Director	Zoe Hall	On-site Trainer	Tim McInnes	Strategy & Transformation Director	Rebecca Portch	Cash Planning and Service Manager
Alex Todd	Data and Operations Insight Manager	<b>Network Delivery</b>		Jo Barnicke	Head of Transformation Portfolio	Lakhvir Ghattoraya	Customer Service Manager
Gareth Isherwood	Postmaster Remuneration Support Advisor	Pam Heap	Network Delivery Director	George Cross	Portfolio Governance Manager	Cleta Rebelo	Equipment Team Lead
		Sarah Lambert	Head of Network Provision	Shreya Awasthi	Governance Associate	Inga Rowley	Inventory Support
		Hugo Greyner	Performance, Planning and Optimisation Manager	Jack White	Graduate - SPO	Anil Nagar	Order Input
		David Duff	Network Provision Lead				

## Appendix D – List of Stakeholders Engaged (continued)

The following stakeholders were interviewed as part of this Project, between 11 January 2021 and 1 March 2021:

Legal, Compliance and General Counsel		Finance	
Zoe Brauer	Head of Legal – Retail and Network	Ruk Shah	MI and Analytics Director
Jonathan Hill	Group Compliance Director	Nick Wade	Head of Finance – Network Programmes
Sally Smith	Head of Financial Crime	Charlotte Ukaige	Head of Finance – Network and Sales
Laurence O'Neill	Senior Legal Counsel – HR & IR	Mark Baldock	Head of Risk
Communications		Georgina Blair	Risk Business Partner
Rina Patel	Head of Postmaster Communications	Christine Kirby	Financial Controls Manager
Jonathan Knox	Head of Production & Delivery	Tom Lee	Financial controls
Historical Matters Business Unit		Sam Bancroft-Wilson	Business Plans Team Leader
Declan Salter	HMU Director		
Jacki Adams	Operations Director		
IT			
Gary Walker	Service Management and Enterprise IT Director		
Simon Oldnall	Horizon and GLO IT Director		
Ben Cooke	Branch, Digital and Engineering Director		
Paula Jenner	Head of IT Service		
Martin Godbold	Horizon Service Lead		
Sree Balachandran	Head of Postmaster Experience		
People			
Juliet Lang	Talent, D&I Director		
Daisie Jope	Organisation Design Director		
Jessica van Vilet	Project Manager – People Programme		
Jack Foden	Organisational Design Analyst		

## Appendix E – Table of Abbreviations

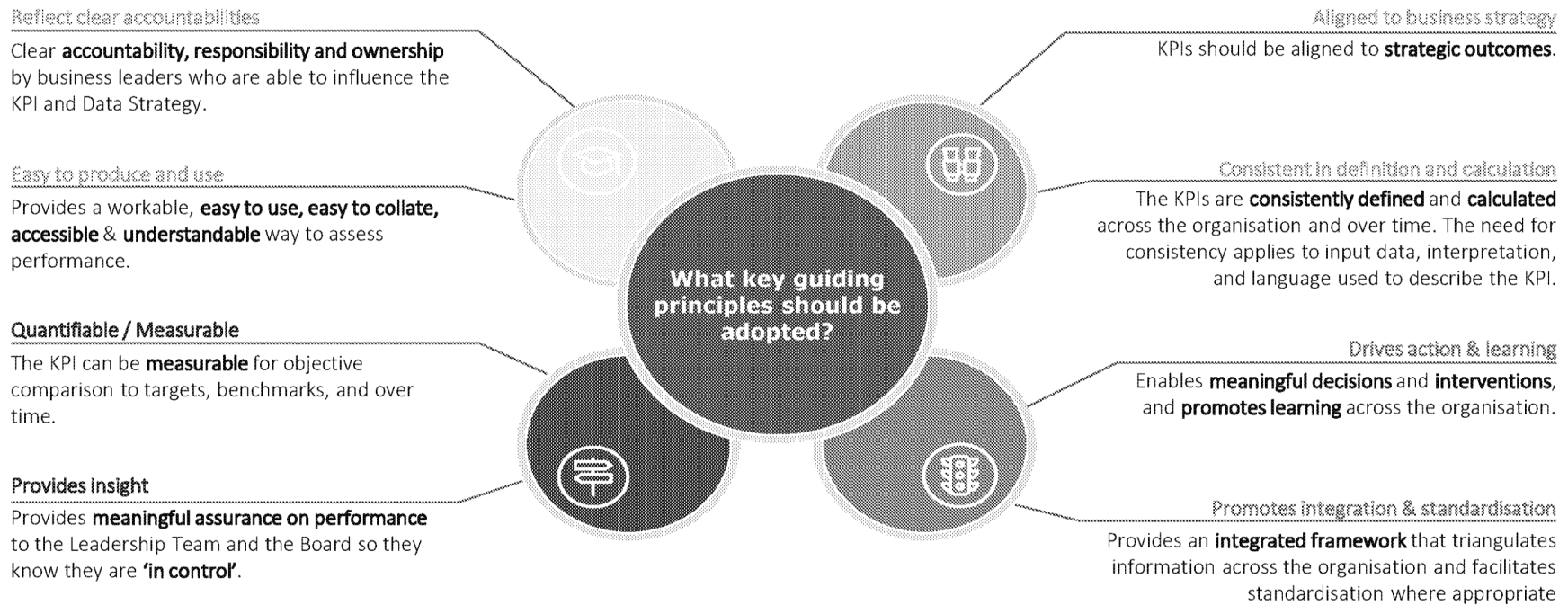
The following table is a list of abbreviations including definitions used throughout the report:

Abbreviation	Definition
AM	Area Manager
BSC	Business Support Centre
BSM	Business Support Manager
CIJ	Common Issues Judgement
DMB	Direct Managed Branches
HIJ	Horizon Issues Judgement
NPL	Network Provision Lead
PM	Postmaster
POL	Post Office Limited
PSIP	Postmaster Service Improvement Plan
SLA	Service Level Agreement
TC	Transaction Correction



## Appendix F - Data and Management Information

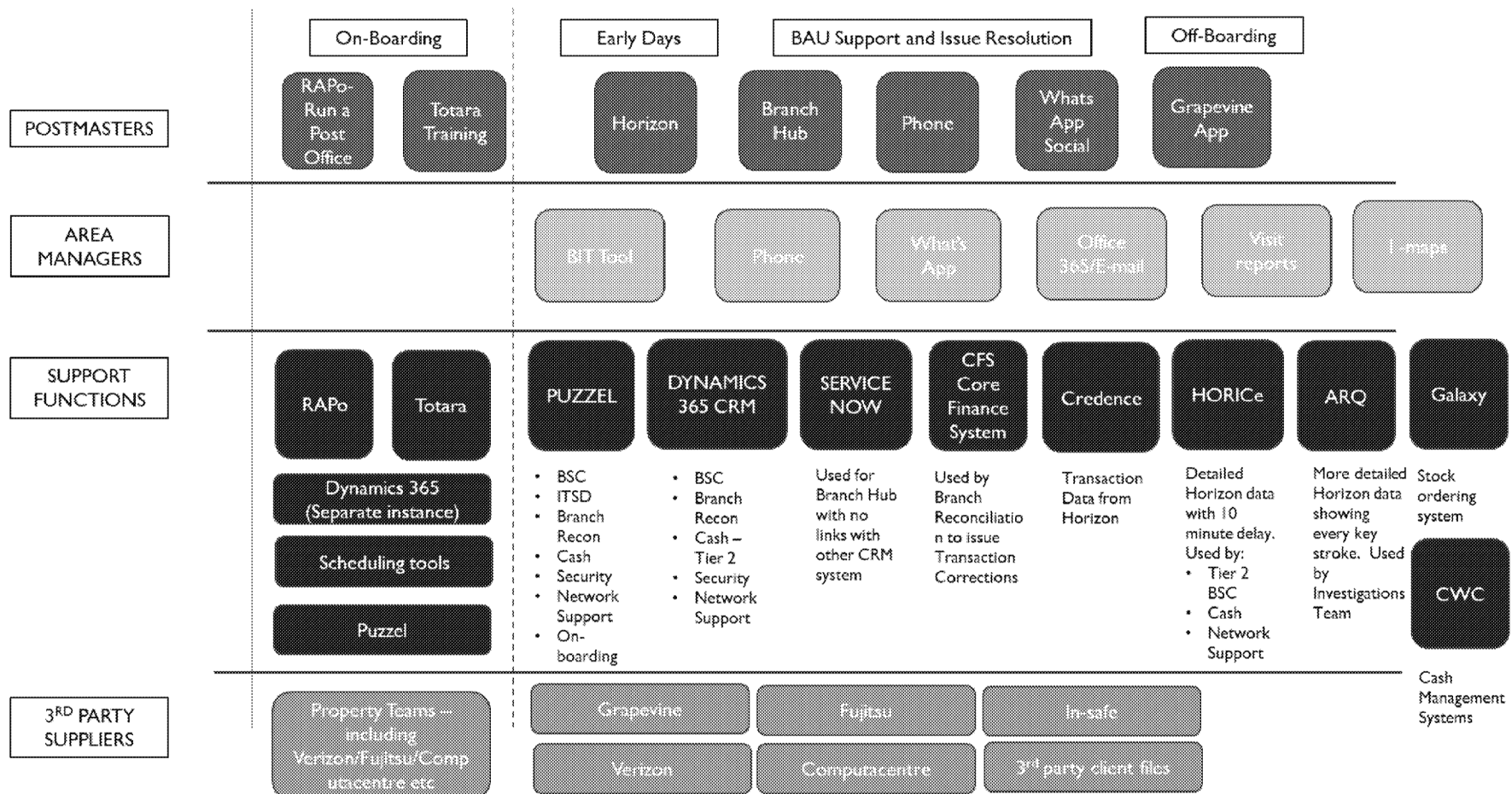
The following diagram sets out some of the principles that should be considered in developing a MI and data strategy and reporting process.





## Appendix G – Systems landscape

### Draft systems landscape



Note: this diagram provides an overall high-level summary of the current systems landscape in POL developed to support this Project. It is not designed to be exhaustive, nor has it been fully verified and tested with the business.



#### **Statement of Responsibility**

We take responsibility for this report which is prepared on the basis of the limitations set out below. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that may exist or all improvements that might be made. Any recommendations made for improvements should be assessed by you for their full impact before they are implemented.

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#### **Deloitte LLP**

#### **London**

#### **March 2021**

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