



Disclosure Line (B-257-00)

Project Initiation Document

Project Aim: To procure and implement a dedicated disclosure line for use by Post Office's employees, agents and agents' assistants, introduce internal processes where required to receive reports from the third party and raise awareness of the line through targeted communications.

Version	0.04	Author	Georgina Blair
Status	Draft	Classification	Internal
Date	19/02/13	Source of Funds	Planned
Role	Name Title		Date Agreed
Project Sponsor	Georgina Blair		
Sponsoring Director	Susan Crichton		
Programme/Portfolio Manager	N/A		
Project Manager	Georgina Blair		
Benefit Owner	Susan Crichton		

Section 1. Investment Business Case

Source of Funds	Planned	Sponsor / Project Manager	Susan Crichton/ Georgina Blair
Ultimate Authority	Director		

1. Request

This paper seeks approval to draw down £45k to procure and implement a dedicated Post Office disclosure line, introduce internal processes where required to receive reports from the third party and raise awareness of the line through targeted communications introduce a process for receiving reports.

Approval Request (£m)	Total	CapEx	OpEx	VR	Lease Obligation	Disposal Proceeds
Sunk	-	-	-	-	-	-
New 12/13	-45k	-	-45k	-	-	-
Total Request	-45k	0.0	-45k	0.0	0.0	0.0

	NPV @ 12%	IRR	Payback	PV/I	Recurring PBITDA	Steady State – Yr
Economics	£0.0m	0.0%	0.0 Yrs	0.0	£0.0m	20xx/xx

Resource Requirement	Heads	Duration (Months)	Cost
Skills Group (possible internal testing – to be	1	0.5	7k
External Consultant (Deloittes etc)	0	-	-
Contractor (outside Skills Group)	0	-	-
Fixed Term (outside Skills Group)	0	-	-
Total Request	1	0.5	7k

See section 12.5 of the Project Initiation Document for resource cost details

2. Background

This is a project that supports separation from Royal Mail Group, enabling self sufficiency for the Post Office. A disclosure line provides employees and agents with a safe route to report concerns about serious wrongdoing in their workplace. Encouraging disclosure of wrongdoing by providing a secure way to report it helps Post Office to:

- detect and deter wrongdoing;
- give managers information needed to improve compliance and control risk;
- demonstrate to stakeholders and regulators that it is serious about good governance;

- reduce the chance of anonymous or malicious leaks externally (including to the media);
- help protect the Post Office brand; and
- reduce the chance of legal claims against Post Office.

Post Office currently has the use of Royal Mail Group's disclosure line (the 'Speak Up Line') provided under a Transitional Service Agreement (TSA). The TSA ends on 31 March 2013 and Post Office needs to procure and set up a new line by this date. Over the past three years usage of the line by Post Office employees and agents has been very low and once the new line is in place communications are planned to raise awareness of the line.

3. Options

1. Do nothing – accept the risk that there is no disclosure line – rejected.
2. Use a third party provider with specialist knowledge of the confidentiality requirements – preferred.
3. Use existing internal resource – no current resource available 24/7 and possible lack of confidentiality – rejected.

4. Customer Journey/Marketing Consideration

Employees, agents and their assistants will need to be made aware of the new disclosure line/service and the project will need to ensure carefully targeted communication reaches every level of the business.

The provision of a disclosure line helps to promote the Post Office values as it shows our employees and agents that we care when things go wrong and that we are committed to finding out when they do. This encourages trust in the Post Office brand. Although the line is not targeted at external customers, they may see it advertised in branches or copies of Subspace. A disclosure line forms part of an organisation's Corporate and Social Responsibility (CSR) and anti-bribery corruption framework, and may be asked about by customers and suppliers as part of CSR or anti-bribery and corruption due diligence.

5. Benefits

The benefits of providing and publicising a confidential, trusted disclosure line include

- Providing employees, agents and their assistants with a mechanism to highlight wrongdoing, supporting both their integrity and that of the business.
- practical embodiment of the Post Office values of care, challenge and commit
- ability to investigate problems before they come to public or regulatory attention
- protecting Post Office's reputation and brand
- minimising regulatory fines.

6. Key Risks And Dependencies

There will be a key dependency on procurement and external testing resources to achieve the implementation date .

There is a risk that employees use the current shared disclosure line/service in the future, to be mitigated by a removal of the existing number and replacing it with the new number where it is currently listed.

7. Summary Financials

Incremental Profit & Loss (£m)	11/12	12/13	13/14	14/15	15/16	16/17	+
Recurring Income [Describe]							
Recurring Cost Savings – Staff [Describe]	-	-	-	-	-	-	-
Recurring Cost Savings – Non Staff [Describe]	-	-	-	-	-	-	-
Recurring Costs - Staff [Describe]	-	-	-	-	-	-	-
Recurring Costs – Non Staff [cost of service]	-	-30k	-30k	-30k	-	-	-
One-off costs (Opex) - Operating	-	-15k	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Gains/(losses) on disposal	-	-	-	-	-	-	-
One-off costs (Opex) - Exceptional	-	-	-	-	-	-	-
Total Incremental PBIT	0.0	-45k	-30k	-30k	0.0	0.0	
Variance from Plan	0.0	0.0	0.0	0.0	0.0	0.0	

Incremental Cashflow (£m)	11/12	12/13	13/14	14/15	15/16	16/17	+
One-off Costs (Opex):	-	-45k	-30k	-30k	-	-	-
Other Non-VR	-	-	-	-	-	-	-
Capital Expenditure (Capex)	-	-	-	-	-	-	-
Cash Proceeds from Assets Disposed	-	-	-	-	-	-	-
Total Incremental Cashflow	0.0	-45k	0.0	0.0	0.0	0.0	
Variance from Plan	0.0	0.0	0.0	0.0	0.0	0.0	

8. Key Performance Indicators

KPI	Current	End-State	Achieving the End-state

KPI	Current	End-State	Achieving the End-state
Service to be in place for 31.03.13	RMG shared service	POL own service provider in place	Delivery of this Project
Communication plan to cover every aspect of the Business	N/A	Comprehensive knowledge of the new provider service	Delivery of this Project
Usage	Immature (less than 20 POL related calls in last year)	Mature (Number of calls per 1000 users similar to comparable retailers)	Number of calls per 1000 users similar to comparable retailers
Measure of perception by employees & agents	Not measured	Widespread awareness of line throughout business (90% awareness)	Employee surveys
Measure of value to the individual and company	Not measured	Perceived as value adding to the business	Employee surveys which would need to be scheduled to inform PIR

9. Sensitivities/Tolerances

	Sensitivity rate	Sensitivity	NPV (£m)	IRR (%)	Payback (yrs)

10. Investment Appraisal (IA) Commentary

POL does not have a dedicated disclosure line (whistle blowing) in place and currently makes use of the RMG disclosure line 'Speak Up Line' .

The £45k request in 12/13 FY includes an annual fee of £30k for the 13/14 FY.

The disclosure line fulfils part of POL's CSR objectives and also forms part of the separation of dependencies on RMG.

Approval recommended

Arthur Church
Head of Commercial Finance: Colin Stuart
[Feb 2013]

11. Business Case Annexes

ANNEX 1. Alternative Options Considered

Option 1	
Do Nothing	If we do nothing Post Office will not have a disclosure line once the current TSA ends. - Rejected.
Option 2 – Preferred Option	
Use a specialist supplier and introduce internal processes where required to manage the new supplier	A specialist supplier who could fulfil our requirements (e.g. In Touch MCS Ltd who currently supply the Disclosure Line under the TSA) - Preferred
Option 3	
Use existing internal resource	There is no internal resource available 24/7 which is suitable for receiving calls of this type. – Rejected.
Option 4	
Use a current supplier	<p>Existing helplines and reporting lines are:</p> <ul style="list-style-type: none"> • HELP (employee assistance line) which is supplied by Atos Healthcare. • Bullying & Harassment Helpline which is supplied by Atos Healthcare. • Grapevine (security threat reporting line) which is supplied by King's Security. • Manager's HR Help (specialist HR advice for managers) which is supplied by Adviser Plus. • Speak Up Line (employee disclosure line) which is supplied by In Touch MCS Limited under a TSA from RMG. <p>Any current supplier would need to fulfil our requirements for a disclosure line. It is unlikely that any current supplier other than In Touch MCS Limited would be able to fulfil these requirements. - Rejected</p>

ANNEX 2. Key Risks and Mitigations

Risk Factor	Impact	Mitigation	Mitigated Impact	Financial Impact

Basing vendor selection on cost over quality / service provision	High	Rigorous selection process or use existing provider with revisions and /or modifications to existing Service agreements.	Low	This impact would be qualitative, not quantitative.
The provided service is underused due to poor perceptions of confidentiality and anonymity	High	Design a service superior to that already in use. The service provided can only be equal to, or better than that already provided.	Low	This impact would be qualitative, not quantitative.
Poor data handling and investigation procedures lead to data protection breaches.	High	Design a scheme that builds in compliance with the "Article 29 Working Party Opinion 1/2006 on the application of EU data protection rules to internal whistleblowing schemes"	Low	Reputational damage and possible regulatory fines (currently up to £300k)

ANNEX 3. Project Milestones

Milestone	Date
Gating Forum	27.02.13
Financial Authorisation	14.02.13
Procurement of service activities commence	19.02.13
Design of Business Processes	15.03.13
Draft Comms Plan	15.03.13
Stakeholder sign-off achieved	tbc
Go-live	31.03.13
PIR	30.09.13

ANNEX 4. Benefits Management Plan

Benefit / Trigger	Owner	Position	Budget	Conditions / Precedents / Interdependencies

ANNEX 5. Concurrences

Directorate/Area of	Name, Title	Version	Date

Responsibility		Reviewed	Agreed
Project Sponsor	Georgina Blair		
Sponsoring Director	Susan Crichton		
Programme/Portfolio Manager	N/A		
Benefit Owner			
Role – Concurrency			
Project Manager	Georgina Blair		
Test Manager	Salman Bukhari		
Finance	Colin Stuart	14/02/2013	
P&BA			
Marketing	Steve Crowhurst		
Network	Julia Marwood		
Legal	Piero D' Agostino		
Compliance	Georgina Blair		
Data Protection Compliance	Jacqueline Gazey		
HR	Hector Campbell		
Strategy			
Information Security	Dave M King		
Commercial Security	Sue Hanson		
Security	Andy Hayward		

ANNEX 6. Financial Detail

Summary of one-off costs – OpEx

Costs (£k)	P8	P9	P10	P11	P12	2012 /13 total
Set-up Costs					1	
External testing					6	
Annual Fee 13/14					30	
Comms and Training					1	
Internal testing					7	
Total					45	

Summary of one-off costs – CapEx

Costs (£k)	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	2011/12 total	2012 /13 total
Total														

Section 2: Project Description

12. Change Description

12.1. Scope and Exclusions

The scope of this project is to procure a new disclosure line to replace the line currently provided by Royal Mail Group, to implement internal processes to receive reports and forward them for investigation, and to define and deliver necessary training and communications.

There are already many existing processes in the business for dealing with instances of wrong doing and misconduct, and they do not fall within the scope of this project.

The supplier will be available to take calls and web reports from employees, agents and agents' assistants at any time of day throughout the year. Calls and web reports will be securely forwarded to Post Office in an agreed format and under agreed timescales to be agreed as part of the contract.

A team in Post Office, within the HR Service Centre will receive the reports and forward them to the appropriate business area for investigation.

12.2. Constraints

Time – service needs to be in place 31 March 2013. Go-live is Easter Monday, typically there is reduced resource around this period.

12.3. Acceptance Criteria

The project must ensure the provision of a dedicated Post Office disclosure line on 31 March 2013.

The service line and inter-related supplier and business processes to be tested prior to Go-live.

The supplier must maintain the quality and caller experience of the current line as a minimum.

The supplier must comply with data protection and information security requirements as stated in the service specifications.

12.4. Impact Analysis

Business areas impacted to deliver this project are: Procurement, HRSC and Comms.

HRSC will need to The fleet service has historically been fully provided by RMG. POL will need to adopt some of the processes currently carried out by RMG in relation to receipt of reports.

12.5. Resource Profile

Skills Group Resource

Job Title	Blended Day Rate	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Full Year
Business Analyst	470													0.00
Business Change	425													0.00
Programme Manager	552													0.00
Project Manager	479													0.00
PMO	462													0.00
Project Architect	715													0.00
Tester	461													15 6,915.00
Total		-	-	-	-	-	-	-	-	-	-	-	15.00	6,915

13. High Level Plan

This activity is in three parts

- 1) Procurement of a third party service to replace the one currently provided by Royal Mail. The initial analysis for this service has already commenced with informal meetings with potential suppliers. The target date for issuing the request for proposals is 19 February 2013. Specialist advice has been taken to include information security and data protection requirements and members of the Info Sec and Data Protection teams will be involved in reviewing suppliers' responses. External testing resource will be utilised for any vulnerability testing required. The service must be in place by 31 March 2013.
- 2) Development of an internal process in the HR Service Centre for receiving reports from the selected third party provider and distributing them to the appropriate areas for investigation. Reports will need to be recorded and investigations tracked. Investigations will be carried out through existing investigation routes, and these are currently being mapped. Data protection training will be given as required. 15 days of internal testing resource has been budgeted for in case there are any internal systems affected by the new process. Quarterly summary reports will be submitted to the Audit and Risk Committee, and there will be an escalation route to a nominated non-executive for the most serious cases. This process must be in place by 31 March 2013.
- 3) Internal promotion of the line. An approach has been agreed with Internal Comms to promote the line with carefully targeted messages through the appropriate channels, which present the line as part of a suite of help and reporting lines (to also include Grapevine, NBSC, HR Help) in order to minimise the number of misdirected calls. This activity is planned to start after 1 April 2013 in order to ensure internal processes are working before call numbers increase.

13.1. Planning Assumptions

Gating and financial authority will be obtained at first request.

The service will need to undergo a procurement exercise to remain compliant with procurement legislation.

POL business resource will be available to support the procurement activity in the timeframes required.

13.2. Test Requirements

Process walkthrough with business owners prior to Go-live

Accessibility points for user access to be tested (Telephone/Web)

Penetration test conducted of any aspects of supplier's network used by POL, or sight of the supplier's last test and action plan (and subsequent scan of any web presence for vulnerabilities). £6000 for external testing has been included above.

There may be internal testing requirement depending on the internal process which are yet to be determined. A provision has been made for 15 days of internal test resource..

13.3. Implementation Requirements

The new line needs to be in place by 31 March 2013.

13.4. Lessons Learned

14. Project Management Strategy

14.1. Project Organisation

14.1.1. Project Management Team Structure

Georgina Blair – Risk & Compliance Team (Project manager)

Gavin Pugh – Procurement

Hector Campbell – HRSC

Jonathan Knox - Comms

14.1.2. Role Descriptions

Per existing job descriptions for each specific role as stated above

14.2. Quality Management Strategy

Quality reviews to be conducted, prior to each Gating Forum.

14.3. Configuration Management Strategy

Project documentation will be versioned and held in the project filing structure.

14.4. Risk Management Strategy

Risk log to be held and monitored.

14.5. Communication Strategy

The project will undertake all necessary communications using various communications vehicles such as Branch Focus, Online Focus, intranet, Subspace, Subspace Online, and stakeholder engagement

14.6. Project Controls

15. Document Control

15.1. Version History

Version	Date	Change Details	Author
0.1	01.02.13	Draft PID	Georgina Blair
0.2	14.02.13	Financials added	Arthur Church
0.3	14.02.13	Amended for DP and Info Sec requirements	Georgina Blair
0.4	18.02.13	QA Review	Tina Davis

Version	Date	Change Details	Author
0.5	19.02.13	Amended according to QA comments	Georgina Blair

15.2. Change Control

Changes to this Project Initiation Document shall be requested in writing to the Project Sponsor. Any significant change will require this document to be modified by the Project Sponsor, re-reviewed/concurred, and if the change causes the project to exceed the approved tolerances, re-approved by the appropriate financial authority.

15.3. Referenced Documents

Nr.	Title	Version	Date	Document Ref.	Location
1	Your text here				
2					

16. Appendix A – Add as Needed

Your Text Here

17. Appendix B – Add as Needed

Your Text Here

18. Appendix C – Terms & Abbreviations

Term	Meaning
HRSC	Human Resources Service Centre
NBSC	Network Business Support Centre
POL	Post Office Limited
RMG	Royal Mail Group
TSA	Transitional Service Agreement