



Sparrow

Weekly Steering Group

17th October 2013



Agenda

1. Specific agenda items
 1. Update on Brian Altman's work
 2. Working Group – review TOR/on boarding of new chair
 3. Initial insights – Belinda
 4. Steering Meeting on 29th October – cancel or keep?
2. Programme update:
 5. Work streams highlights
 6. High level plans
 7. Budget (no updates since last meeting)
 8. Risks (no updates since last meeting)
3. Next Meeting 24th October 11.00 am.

Decisions for this meeting



Public Commitments - work stream updates

Work stream	Update	Status
Initial Complaint Review and Mediation Scheme (Complete Cases)	<ul style="list-style-type: none"> See slide 6 for update/information on Case Submissions Common agreement reached on majority of Working Party TOR, the voting right issue will be resolved after the appointment of the independent chair. Sub group meeting held on potential compensation policy. Aim to agree first draft next week and then apply model to initial applications before returning for Steering Group review/approval. Preparing job descriptions/approach for PO Mediation roles (including decision making authority etc.) for Steering Board approval. 	Green
Adjudication of future cases	<ul style="list-style-type: none"> Meeting with Paula about Hillsborough link arranged for 18th. Communications drafted – JFSA are being asked to comment in the press release. Arranging October date for WG meeting with Sir Anthony as Chair Preparing topics for initial meeting with Sir Anthony (e.g. voting, decision made to date, roles of attendees etc). 	Amber
Branch User forum	<ul style="list-style-type: none"> Nominations received, these will be finalised w/c 21st Oct. Inaugural Forum will be booked as soon as availability allows. 	Amber

Other work stream updates

Work stream	Update	Status
Legal (criminal cases)	<ul style="list-style-type: none"> Case reviews continue with Cartwright King and expected to complete by the end of October. Update from Rod at today's Steering meeting about Brian Altman's work. Current plan will updating following QC steer. 	Green
Improvements & Culture change	<ul style="list-style-type: none"> 'As Is' experience has been defined with the emerging gaps and issues clustered in the main themes. The Improvement programme board members are now tasked with articulating the vision, behaviours and outcomes they as leaders should be looking for from their teams and defining the "To Be" experience. See update on slide 7. 	Green
Communications	<ul style="list-style-type: none"> Analysis of current submissions vs. previous lists underway so that we understand MP communications required post 18th Nov (e.g. for spmr's that didn't apply to the scheme) 	Green
Technology	<ul style="list-style-type: none"> Work continues to understand impact and get required clarifications on changes. 	Amber

Legal Update – Case Review

Statistics as at 14/8/2013	Initial Sifts	Fully Reviewed	Disclosure recommended	Discontinued	Comments
To date	278	35	11	4	The cases of J Patel, Brown, Wylie and Knight have been terminated.
Remaining	TBC	TBC			It is understood that there may be an unknown number of RMG files yet to come from Scotland and Northern Ireland.



Summary of Mediation cases

46 Applications to date

28 to 5 Sept:	10
5 to 12 Sept:	10
12 to 20 Sept:	9
20 to 27 Sept:	1
27 to 3 Oct:	8
3 to 10 Oct:	6
10 to 17 Oct:	tbc
17 to 24 Oct:	tbc
24 to 30 Oct:	tbc
30 to 7 Nov:	tbc
7 to 14 Nov:	tbc
14 to 18 Nov:	tbc

Applications

- 38 Acceptance letters and funding agreements sent to SPMR's.
- 3 Waiting for additional information to be supplied by SPMR
- 4 PO will continue to investigate SPMR's cases internally as they have not exhausted internal processes.
- 1 Declined because they are still in the legal process

Submissions

- 9 Funding agreements received back from SPMR's (as at 10th Oct)
- 0 Full case questionnaires submitted by SPMR's



Themes from Improvement Workstream

Contact with branch

- Lack of awareness of the branch network by the people engaging with our branches
- Inconsistency of what information is captured during a branch contact
- Lack of confidence in quality and timing of Management Information provided to make contact with branches, leading to concerns that contact does not add value to branch.

Branch Support

- Activity with a branch is often re-active and is a result of a problem rather than being proactive to prevent re-occurring problems
- Lack of understanding of what information is available to measure performance of branches
- Inconsistency in the level of ownership between teams when trying to support branches with issues
- Subpostmasters are using informal networks to get support such as chat-rooms and twitter to find advice on losses and transactions
- Perception that branches don't want to report problems with accounts in case of suspension
- NFSP have raised specific issues regarding how we support absentee subpostmasters
- Lack of understanding of what analysis is completed following outbound contact with branch to understand what benefit it's had for branch or for improving support/performance.
- Concerns that individual IT platforms used are out of date and unsupported.

Ownership and awareness

- Lack of consistent vision regarding the purpose of the team
- Teams are unaware of how branches perceive them and the service they provide
- Lack of quality measures within teams to measure the experience of the branch during the contact
- Lack of awareness of the role they play in the overall experience of the branch with Post Office
- An individual issue has also been identified during the initial discussions with Finance Service Centre regarding the contract with Santander. Whilst they are contractually obliged to resolve discrepancies within 3 weeks, they are in arrears and are currently resolving errors in Week 53. These errors are largely credits which are owed back to branch.

Training

- View that the content of the training is not fit for purpose and does not meet the needs of the branches (validated by satisfaction survey)
- Specific branch cases demonstrate a lack of "Problem Management" ownership to understand and explain the technical problems being faced by a branch
- Inconsistency of training provided to teams dealing with branches, including lack of documentation to capture what they are supposed to be doing

Cross team working/one view

- Lack of communication across IT platforms used across the business.
- Lack of join up between teams to understand the issues facing particular branches and the network
- Lack of communication with other teams, especially in resolving issues



Appendices

- High level milestones
 - Public commitments – slide 9
 - Legal – slide 10
 - Improvement – slide 11
 - Communications – slide 12
 - Technology – slide 13
- Budget
 - Overview – slide 14
 - Actual to August 2013 – slide 15
 - Planned to Mar 2014 – slide 16
- Risk
 - Risk map and descriptions – slides 18 to 19



Public Commitments- High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Mediation Scheme (Collaboratively complete cases) Angela VDB Angela VDB nomination BD and Paralegal Second Sight										
	▲ 22/07 JA meeting to agree investigation scope and approach									
	▲ 25/07 First Working Party Workshop to define Ways of Working									
		▲ 15/08 Working Party sign off ways of working, mediation pack and comms			▲ 20/09 New ways of working fully implemented					
			▲ 22/08 Mediator(s) appointed		▲ 24/08 TOR for Monthly Working Group					
				▲ 30/10 complete first case						
					▲ 18/11 All applications submitted					
Monthly Working Group Boards	▲		▲		▲		▲	▲	▲	▲
Adjudication of future cases Angela VDB Susan Crichton				▲						
				▲ 10/09 Appoint an independent figure to determine how an independent safety net might be introduced to adjudicate in disputed cases in the future						
				▲ 15/09 Independent review commences						
					▲ 15/10 Independent review makes recommendations					
					▲ 25/10 Post Office Implements recommendations					
Branch User Forum Angela VDB Lesley Sewell										
	▲ 12/08 Create Draft TOR									
		▲ 15/08 Start engagement with stakeholders								
			▲ 14/10 complete engagement with stakeholders,							
				▲ 14/10 Issue final TOR and send out invitations to first forum						
					▲ 20/10 First Branch User Forum					
			Branch User Forum meets regularly				▲	▲	▲	▲

Notes:

Tasks added/amended since last version in red.

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Legal - High level Plan

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

Timeline for Legal Work Stream:

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

Notes:

Tasks added since last version in red.

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On Track

Achieved Milestone

Original Date (not achieved)

Delayed (no impact)

At Risk/ Delayed
(potential impact)

Issue / Delayed (material
impact)

Names of critical resources

Dependency



Improvements - High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
All Streams										
	24/07 Agree Terms of Reference with Sponsor (Angela) 06/08 Agree approach to mapping as-is process, scope, and how it will be documented 08/08 Agree Terms of Reference with steering group 09/08 Identify resource from each area to support the mapping of the "as-is" 09/08 Identify process for capturing quick wins 30/08 Start to identify quick wins (from the mapping exercise) 05/09 Agree which quick wins should be implemented with Programme Board 06/09 Begin implementing quick wins 30/09 Complete "as-is" subpostmaster journey/experience with POL 30/09 Complete "as-is" Crown colleague r journey/experience with POL 30/09 Complete "as-is" multiple partner r journey/experience with POL 05/10 All "Quick Wins" Implemented 20/10 Complete "to-be" subpostmaster journey/experience with POL 20/10 Complete " to-be " Crown colleague r journey/experience with POL 20/10 Complete " to-be " multiple partner r journey/experience with POL 15/11 Funding for proposal approved 17/11 Commence implementation projects 15/4 implement mechanism to ensure all processes are regularly reviewed and continue to be fit for purpose									
Culture Change	Note: building questions into reviews. Next steps will follow in output from review.									

Notes:

Tasks added since last version in red.

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Communications - High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Communications and MP engagement Angela VDB Mark Davies Alwen Lyons Second Sight	<p>△22/07 Agree Approach with JA</p> <p>△ JA, JFSA, POL and SS to communicate process to MPs and SPMRs</p> <p>Reactive to Media →</p> <p>△ Proactive launch Mediation process (press release)</p> <p>As cases are mediated press and public affairs team to be updated (for proactive management)</p> <p>△ 01/09 Post Office start engagement with MPs – individually explaining mediation process</p> <p>△ 11/09 Alice P and JA meeting</p> <p>01/10 Start taking MPs through their actual cases</p> <p>31/10 Joint MP update meeting (follow on from JA meeting)</p> <p>Date TBC ▲ Engagement with MPs for 25 investigation cases complete</p>									

Notes:

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Technology improvements- High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Technology										
Improved guidance		▲ 30/07 Draft improved Subpostmaster guidance for Horizon communication line failure								
		▲ 15/08 Review guidance with NFSP								
				▲ 30/09 Issue guidance to branches						
Release 10 improvements				▲ 20/09 Agree contents for Horizon release 10						
				▲ 30/09 Commercials agreed for Horizon release 10						
Reporting improvements		▲ 02/08 raise CR with Fujitsu								
				▲ 30/09 Agree commercial terms with Fujitsu						
Improvements delivered through ref data	▲ 30/07 Define changes			▲ 30/10 solution feasibility complete						
				▲ 31/10 Deliver changes (release 9 dependant)						
								▲ 15/03 release 10 live		
								▲ 15/03 new reports available		

Notes:

Draft status.

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Budget - Summary

Budgeting assumptions/notes

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

Programme Forecast August 2013 - March 2014

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

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

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



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

2012/13 Invoices received

2nd Sight			Millnet			Kay Linnell			Total
Total	163.98		Total	14.00		Total	6		183.98
Month	Invoice	amount	Month	Invoice	amount	Month	Invoice	amount	
July	65	12.00	Jan	12566/900772	3.7	Jan	811	2.4	
Aug	66	14.00	Nov	12141	7.2	April	842	2.4	
sep	67	11.00	July	13000/900772	3.1	July	874	1.2	
oct	69	6.00							
Nov	72	17.40							
Dec	73	25.00							
Jan	74	26.88							
feb	75	25.90							
mar	76	25.80							

2013/14 Invoiced to 1st August 2013

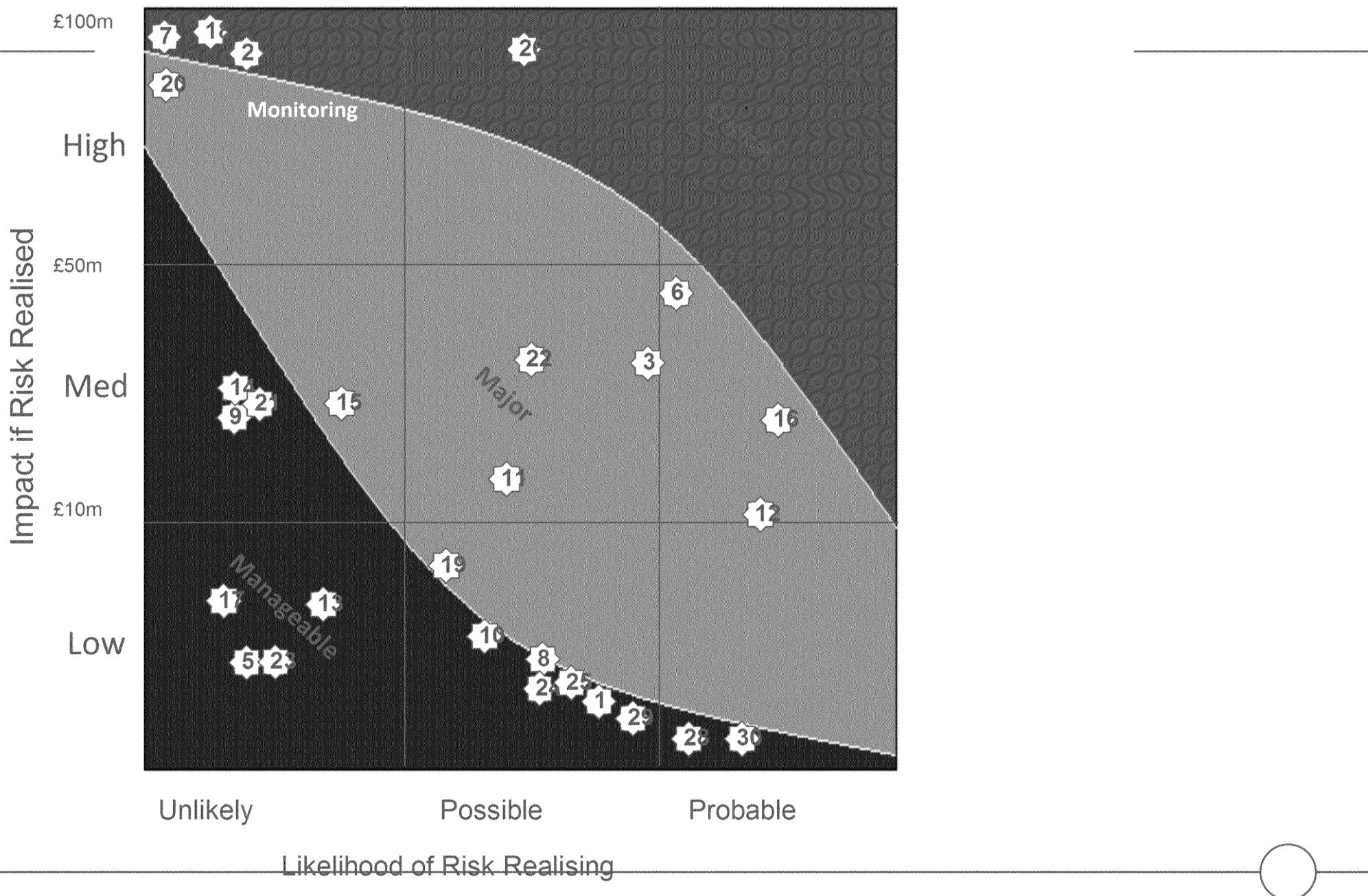
2nd Sight			Millnet			Kay Linnell			Total
Total	119.59		Total	3.10		Total	3.6		126.29
Month	Invoice	amount	Month	Invoice	amount	Month	Invoice	amount	
April	77	25.39	July	13000/900772	3.1	April	842	2.4	
May	78	26.35				July	874	1.2	
June	80	24.97							
July	81	42.88							



Budget – Forecast (Aug 2013 – March 2014)

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

Project Sparrow risk map 28th Sep 2013





Risks

Note :

These will be refreshed at the end of each month following a review by risk owners.

Risk description	
3	The mediation process is independent and may make decisions with which we are uncomfortable
6	Making decisions outside of policy
11	Risk of compensation claims or re-opening of old cases
12	Risk of dissatisfied stakeholders even at the end of process
15	Key person reliance
16	Risk of increased bad debt/write off, fraud & theft.
19	Risk that general engagement of employees is damaged and results in people leaving
20	Risk that potential franchisees lack confidence in system and are reluctant to engage in CTP
22	Risk that ancillary systems & processes have related or similar issues as yet unquantified

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