



Improvement Delivery Group

Monthly Update - 3 June 21

Board Noting Paper

v.1

Exec Summary

- We continue to make strong progress against planned improvements. The vast majority are being completed as planned, and for those that are experiencing problems, the IDG is actively engaged to resolve. In addition, Internal Audit are assuring each delivery and this too is progressing well, with only a few minor areas requiring additional work.
- The main primary issue currently blocking the progress relates to the scope of the HSS, and whether it should be expanded to include additional items. This is preventing the finalisation of a number of treatment strategies. A separate paper is being prepared to provide the details and seek a Board level decision on the way forward. The delay to the treatment strategy is not expected to delay the resolution of the detriment.
- Since the last Board update, the status of the Inquiry has changed to Statutory. We await guidance from the Inquiry team on the next steps (both until the interim report, and then beyond) and hope to receive this within the next two weeks. Using this guidance we will then update our preparation plans, including the associated timelines. The change to the Inquiry does not change our improvement plans, nor our close focus on maintaining progress.
- The GLO conformance review, being led by Norton Rose Fullbright (NRF), is nearing completion on the CIJ. Draft findings are in alignment with expectations, showing that some items have been completed and others are inflight to delivering conformance. There is one area of concern that has been identified where additional actions are required (relationship with the NFSP and the Grant Agreement), and this is being actioned as a priority.
- The corresponding HIJ conformance review has taken a little longer due to NRF not being as familiar with the Horizon improvement work. We expect this to complete in June 2021.



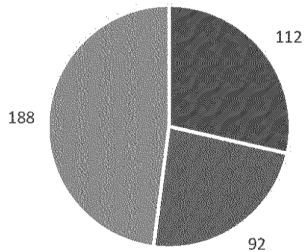
Progress update on full range of improvements

71% of our identified improvements have been completed, and of those 67% have been tested as effective by Internal Audit

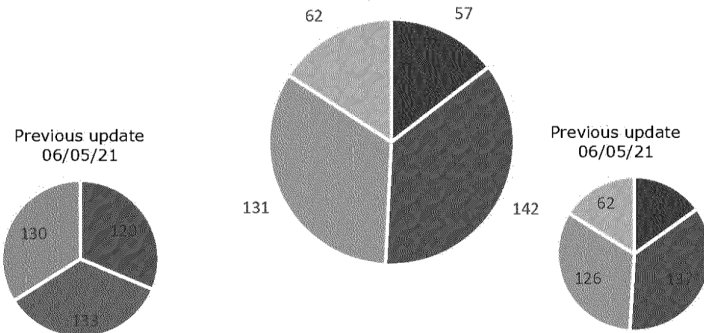
- Good progress continues to be made on getting improvements delivered. We're also maintaining pace on completing the audits to demonstrate successful delivery.
- From the audits, we have identified five improvements where further work is required, and these are (or have been) resolved.
- Where we identify additional improvements, they have been added to our tracker and hence the totals below reflect these additions.

All improvements tracked: Improvement Status & Postmaster Impact status

Improvement Status



Improvements by PM Impact



	Oxblood Red	Red	Orange	Yellow	Total	%
Active	9	44	40	19	112	29
closed unchecked	7	23	22	40	92	23
checked	41	75	69	3	188	48
Total	57	142	131	62	392	100
%	15	36	33	16	100	

Improvement Status	
Closed unchecked	Activity complete but awaiting Internal audit assurance review
Closed checked	Activity and subsequent internal audit assurance complete
Active	Activity is either inflight or planned

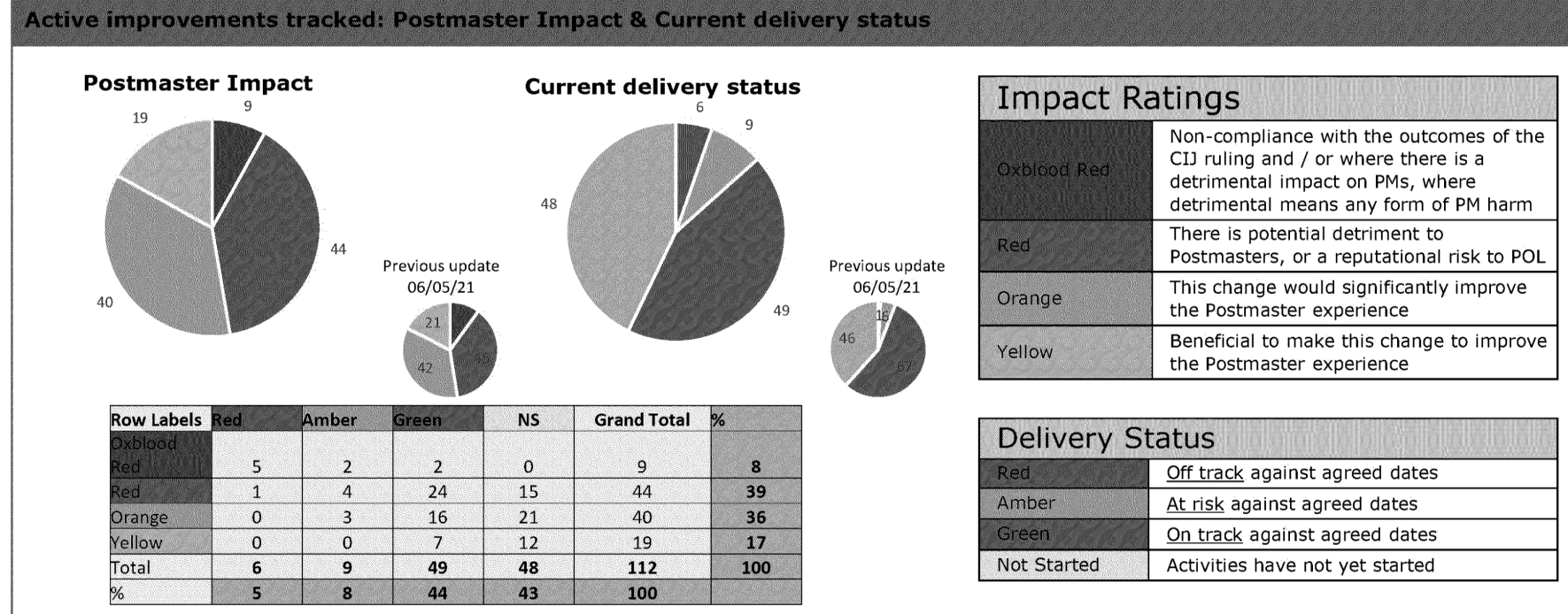
Impact Rating	
Oxblood Red	Non-compliance with the outcomes of the CIJ ruling and / or where there is a detrimental impact on PMs, where detrimental means any form of PM harm
Red	There is potential detriment to Postmasters, or a reputational risk to POL
Orange	This change would significantly improve the Postmaster experience
Yellow	Beneficial to make this change to improve the Postmaster experience

Note: Data presented in these slides is as of 21/05.

4

Improvements in phase I are being delivered, with 92% on track to meet end of May target date

- As the end of May approaches, the vast majority of the planned improvements have been delivered as intended. A short summary of those outstanding is contained on the next slide
- Of note, a number of the red RAG items relate to resolving historic detriment and share the same root cause for delay – a decision needs to be made on the scope of the Historical Shortfalls Scheme. Once this decision is made, the red items will rapidly clear and return back to making good progress. Despite the delay, the team are still forecasting that the next phase (repayment of detriment) will not be delayed.



Note: Data presented in these slides is as of 21/05.

Progress on May deliverables is being maintained, with the three red status item being closely managed by IDG

- Postmaster balance uncertainty is linked to the HSS scope decision mentioned on previous slide {note, this slide only focusses on deliveries to end May}
- Appeals and Disputes is flagged red below due to Post Office taking additional time to create and agreed the right format and style for the appeals panel. This is an important improvement and hence the additional time is felt appropriate. This action is expected to complete within the first 2 weeks of June.
- Memoview has been largely completed but is currently being held at red due to an ongoing piece of work looking at a resolution for those postmasters where we do not have an email address or other contact details. There are a range of reasons why POL does not have this information.

CIJ Oxblood Red & Red Impact Improvement Actions: 12-week activity plan and status

Reference No.	Cross refer	Issue	Impact	Target end date	RAG we 21/05	Responsible	Accountable	% Complete	Mar-21			Apr-21			May-21			
									1	2	3	1	2	3	1	2	3	
M348	BC	2	Postmaster Balance Uncertainty	Oxblood Red	31/05/2021	R	Jacki Adams	Tim Perkins	60%									
M112c	BI	2	Settled Centrally Review- Documentation	Oxblood Red	31/05/2021	G	Hayley Miller	Tim Perkins	90%									
M346	OF	1	Appeals and disputes for contract terminations	Oxblood Red	31/05/2021	R	David Southall	Andy Kingham	50%									
M120a	HI	7	Proactive identification of Horizon HNGA software issues 1.0 - Recommendations to improve processes	Red	21/05/2021	G	Dan Addy	Simon Oldnall	90%									
M125a	HI	12	Privileged Access Management / Remote Access to Horizon Branch Database 1.0 - Review, assess and	Red	21/05/2021	G	Dean Bessell	Simon Oldnall	90%									
M123a	HI	10	Software Development Life Cycle / Quality Assurance (SDLC/QA) Process Improvements 1.0: New process	Red	30/05/2021	G	Dan Addy/	Simon Oldnall	90%									
M145a	BC	3	Use of memo view may mean that PMs are not sighted on all urgent communications	Red	31/05/2021	R	Debbie	Tracy Marshall	50%									
M150	BI	4	Accounting disputes process (including policy approval)	Red	31/05/2021	G	Neil Davey	Tim Perkins	85%									
M149	OF	2	Perception of bias in Investigation process	Red	31/05/2021	A	David Southall	Andy Kingham	50%									
M145b	HI	13	Horizon Help Improvements 1.0 - Initial OM changes to address priority software issues	Red	31/05/2021	A	Dan Addy	Simon Oldnall	30%									
M116a	HI	3	POL staff direct access to transaction data 1.0 updated process for sourcing ARQ data with set SLAs,	Orange	27/05/2021	A	Dean Bessell	Simon Oldnall	85%									
M116a	HI	2	Keystroke Logging 1.0 – New process for sourcing keystroke logging data from branch counter terminals	Orange	30/05/2021	A	Dean Bessell /	Simon Oldnall	65%									
M116a	BC	11	Lack of PM focus in POL employee support centre objectives	Orange	31/05/2021	G	Mel Fischer	Juliet Lang	85%									
M116a	BC	10	Roles and responsibilities for product management	Orange	31/05/2021	C	Product	Owen	100%									
M116a	BC	12	Lack of Cultural and Soft Skill Training provided to Key Support Teams	Orange	31/05/2021	G	Tracey Lloyd	Juliet Lang	66%									
M116a	BC	9	Inventory Team Ways of Working	Orange	31/05/2021	G	Doug Brown	Russell	50%									
M116a	BI	7	Limited AM visibility over PM contractual obligations	Orange	31/05/2021	G	David Southall	Andy Kingham	80%									
M116a	G	6	Lack of an overarching communications framework	Orange	31/05/2021	G	Rina Patel	Richard Taylor	40%									
M116a	OF	3	Absence of early warning indicators to flag issues	Orange	31/05/2021	C	Alex Todd	Andy Kingham	100%									
M116a	ON	1	Upfront On-Boarding Communications	Orange	31/05/2021	C	Jayne Pardoe	Tracy Marshall	100%									
M116a	En		IT- TOM 1.0 - New mandated IT governance, KPI/Metrics dashboard v1.0, Job Descriptions for prioritised	Orange	31/05/2021	G	Martin	Simon Oldnall	55%									
M116a			Stamps and Stock Guide	Orange	31/05/2021	G	Hayley Miller	Mark Siviter	90%									

Note: Data presented in these slides is as of 21/05.



Look forward
June – August 2021

Forward view to August, at which point 85% of all currently tracked improvements will be complete

The table below captures the improvements that are scheduled to deliver between June and August 21. Some have already started, but others are not due to commence until a little later. For those which are showing as amber, IDG is already actively monitoring and assisting where required to facilitate progress.

CIJ Oxblood Red & Red Impact Improvement Actions: 12-week activity plan from 1 st June- 31 st Aug 2021																						
Reference	Cr oss	Nu mb	Issue	Impact	Target end date	RAG we	Responsible	Accountable	% Compl	Activity Plan (Mar-21 to Aug-21)												
										Mar-21		Apr-21		May-21		Jun-21		Jul-21		Aug-21		
										1	2	1	2	1	2	1	2	1	2	1	2	
M119d	IHI	6b	Historic KELS 2.0 - Build of regression suite to ensure that they cannot happen again	Red	11/06/2021	G	Harsh Soman	Simon Oldnall	40%													
M337	G	2	Values/Behavioural -communicate	Red	30/06/2021	G	Jo Barnickle	Juliet Lang	50%													
M340	G	2	Postmaster Empathy in mgmt - connect senior management continuous improvement	Red	30/06/2021	A	Jo Barnickle	Juliet Lang	70%													
M118a	IHI	5	Improved processes to resolve current bugs (current KELS) 3.0: - Fully embedded process into ServiceNow	Red	30/06/2021	G	Martin Godbold	Simon Oldnall	50%													
M119c	IHI	6a	Historic KELS 1.0 Test and close historic KELS - resolve as required	Red	30/06/2021	G	Harsh Soman	Simon Oldnall	50%													
M122a	IHI	9a	Stress testing HNGA 1.0 - Non-functional testing:	Red	30/06/2021	G	Harsh Soman	Simon Oldnall	50%													
M122d	IHI	9b	Stress testing HNGA 1.0 - Determine current DR approach & create DC policy	Red	30/06/2021	A	Harsh Soman	Simon Oldnall	15%													
M120b	IHI	7	Proactive identification of Horizon HNGA software issues 2.0 - Provide an interim design for reference	Red	16/07/2021	S	Dan Addy	Simon Oldnall	15%													
M350	BC	8	Change processes are seen as complex by business teams	Red	31/08/2021	NS	Saira Burwood	Tim McInnes	0%													
M351	BC	4	Insufficient PM Remuneration MI	Red	31/08/2021	S	Alex Todd	Nick Beal	70%													
M352	BC	5	Design methodology and process	Red	31/08/2021	NS	Chrysanthy Pispinis	Owen Woodley	0%													
M140	BC	6	Cash discrepancy investigation procedure misalignment	Red	31/08/2021	G	Doug Brown	Russell Hancock	25%													
M172	G	3	No overarching PM focussed governance forum	Red	31/08/2021	S	Gareth Clark	Amanda Jones	25%													
M343	G	4	No detailed plan to implement the high-level Data Strategy	Red	31/08/2021	NS	TBC	Jeff Smyth	0%													
M109			Security Operations Manual	Orange	30/06/2021	S	Mark Raymond	Tim Perkins	75%													
M394			Quality issue with cash pouches	Orange	15/06/2021	A	Andy Stevens	Russell Hancock	80%													
M99			Annual Postmaster Policy Review -FY21	Orange	18/06/2021	S	Jo Milton	Tim Perkins	95%													
M111			Annual Postmaster Support Guide Review	Orange	30/07/2021	S	David Southall	Andy Kingham	60%													
M353	BC	7	Lack of transparency and PM-centric metrics in tiering system	Orange	31/08/2021	NS	Regional Managers	Andy Kingham	0%													
M389	BC	13	Product guidance	Orange	31/08/2021	NS	Alison Cookson	Tracy Marshall	0%													
M388	BC	14	Lack of investment in Supply Chain Technology	Orange	31/08/2021	S	Wendy Cutting	Russell Hancock	25%													
M360	BC	18	Lack of clarity and communication around support function roles and responsibilities	Orange	31/08/2021	S	Mej Fischer	Tim Perkins	25%													
M392	G	7	Continuous improvement and feedback mechanisms	Orange	31/08/2021	NS	Postmaster	Tracy Marshall	0%													
M365	OF	4	Exit interviews are not systematically conducted	Orange	31/08/2021	S	Regional Managers	Andy Kingham	100%													
M366	OF	6	Lack of formalised procedure for thanking resigning PMs for their service	Orange	31/08/2021	NS	Regional Managers	Andy Kingham	0%													
M371	ON	2	Review On-boarding financial assessment Process	Orange	30/06/2021	S	Jayne Pardoe (OB)	Katheryn Sherratt	50%													
M374	ON	3	Onboarding SLAs	Orange	31/08/2021	S	Jayne Pardoe	Tracy Marshall	30%													
M357	ON	5	PM Training Content Review	Orange	31/08/2021	S	Ranjeet Joughal	Tracy Marshall	60%													
M139			Postmaster champions	Yellow	30/06/2021	S	Andy Stevens	Russell Hancock	40%													
M387	BC	22	POL processes are too manual and reliant on paper	Yellow	31/08/2021	NS	Wendy Luczywo	Owen Woodley	0%													
M361b	BC	19	Ineffective Methods and Forums for Communicating to PMs-Branch hub elements	Yellow	31/08/2021	NS	Di Walker	Tim Perkins	0%													
M385	BC	21	Immature Cash Forecasting Processes	Yellow	31/08/2021	NS	Gary Walker	Russell Hancock	0%													
M358	ON	7	On-boarding process improvements	Yellow	01/06/2021	S	Jayne Pardoe	Tracy Marshall	85%													
M359	ON	8	Conducting Suitability Assessments before Financial Assessment	Yellow	31/08/2021	NS	Jayne Pardoe	Tracy Marshall	0%													
M375	ON	9	Learning MI- to support continuous improvement.	Yellow	31/08/2021	S	Ranjeet Joughal	Tracy Marshall	80%													
M373	ON	10	Embedding of Classroom Learning	Yellow	31/08/2021	S	Ranjeet Joughal	Tracy Marshall	50%													
M376	ON	12	Branch Contact File	Yellow	31/08/2021	NS	Regional Managers	Andy Kingham	0%													

Note: Data presented in these slides is as of 21/05.

Some notable Improvements planned for delivery June-August '21

Improvement (Deloitte ref)	Description	Key Dates
A range of improvements is being implemented to improve Potential New Postmaster experience reduce drop-outs during the process and reduce the time taken to onboard a Postmaster. (ON2, ON3, ON7)	<ul style="list-style-type: none"> Simplified Financial Assessment including giving a provisional approval so that the suitability assessment (interview) can be carried out in parallel Change in support team KPIs to measure satisfaction and Postmaster Experience Extended support hours to enable support out of normal business hours A shorter more easily understandable welcome e-mail 	June 21
Implementation of a Cross-functional Training forum to improve Postmaster training (ON6)	Implementation of a cross-functional training review forum (with representation from training schedulers, classroom trainers, Quality Assurance Training Leads, on-site trainers, Branch Support Managers) to gather feedback on training provision and recommend improvements	August 21
Resolve use of inconsistent terminology including using the same term for different purposes (BI9)	Definition, agreement and publication of a consistent glossary for use by all Postmaster facing teams to eliminate the current inconsistencies and support the exercise to harmonise content	July 21
Implement offboarding enhancements to ensure the efforts of Outgoing Postmasters are recognised and their feedback is recorded and acted upon (OF4 and OF6)	Exit interviews are now carried out for all outgoing Postmasters and there is a process in place to thank them for their service	Complete early (was due August 21)

5



Board Actions Update

Board Action Tracking

Board Meeting	Action	Owner	Owner & RAG
May 21	To consider having half a dozen Postmaster champions who could help validate the changes made from their perspective.	<ul style="list-style-type: none"> The Postmaster engagement team is in the process of pulling a list together of around 40 key PM Influencers. Regional Manager Forums are held monthly to actively facilitate direct feedback. Co-creation sessions with PMs, following the consultation, have already worked with postmasters to generate improvements to the Drop & Go services from the initial sign up process, to providing better information and support in how to use the service 	Dan Zinner/ Richard Taylor
May 21	To consider and confirm how we were remediating complaints in a timely fashion.	<ul style="list-style-type: none"> Complaints were expected to rise initially as we encourage Postmasters to voice issues and complaints, and new initiative were introduced to gather additional feedback. In progress Complaints now steady at around 300 at any given time, but many of the items captured under the complaints process are feedback and observations, particularly from Adopt-an-Area. Team are reviewing whether we can separate to allow more fidelity on tracking and action (this doesn't change importance or commitment to resolve, but does allow items intended as complaints to be highlighted) Annex C contains some additional detail on complaints 	Dan Zinner/ Gareth Clark
May 21	To provide an example of the Branch Trading Statement	<ul style="list-style-type: none"> Examples of the trading statement, along with all the surrounding documents are covered in Annex A. Alongside there is a flowchart detailing the Postmaster discrepancy decision tree. 	Dan Zinner/ Gareth Clark

Board Action Tracking

Board Meeting	Action	Update	Owner & RAG
May 21	DZ invited board directors to send any questions they had following further reflection [on the briefing material to support Inquiry] to him, Gareth Clark and Jeff Smyth. The team would come back with some examples of what settling centrally looked like now.	<ul style="list-style-type: none"> No further feedback received following the board session Process for settle centrally has been included in Annex xxx and is part of the explanation for the earlier action around the branch trading statement. 	Dan Zinner/ Gareth Clark
May 21	For the IDG Inquiry support material to show the historical position and the current position side-by-side. To have a decision tree approach with examples at each point of the decision tree.	<ul style="list-style-type: none"> Format for these slides has been update, with the new and old formats shown together in Annex B. Decision trees are still being created and the first example is shown for disputes and settle centrally in line with the actions above. 	Dan Zinner/ Gareth Clark
May 21	To produce a succinct overview of the issues that had attracted most criticism in the Horizon system and the changes that had been made. The draft would be shared with Ken McCall and Tom Cooper.	<ul style="list-style-type: none"> The materials are being prepared and are being used in parallel to support the NRF appraisal of legal conformance. We will provide supporting materials and a further implementation progress update at the July Board. 	Jeff Smyth

Board Action Tracking

Board Meeting	Action	Update	Owner & RAG
May 21	To include the “top of the pyramid” headline issues where we needed to explain how the most egregious failings of the historical prosecutions had been rectified.	<ul style="list-style-type: none"> Progress has been made against both of these actions (draft pyramid created and options identified for Board to see systems), but the recent announcement around the Inquiry means we may need to reassess timings. We want to ensure the Board has the most up-to-date and appropriate preparation for the Inquiry. Given our sustained progress with improvements, our story will change (and improve) over time, so timeliness of activity will ensure we can support the Inquiry in the best way. The Inquiry team will provide some additional guidance within the next two weeks and have indicated that they hope to set out if/how evidence provision and oral sessions may change. This may therefore change our current preparations. 	Dan Zinner/ Gareth Clark
May 21	To arrange for the Board to see some of the systems actually running, for example, what happened at a month end now compared with what used to happen.		Dan Zinner/ Gareth Clark
May 21	To commission external assurance on the key systems and processes in addition to the assurance we had already sought on conformance with the Judgments.	<ul style="list-style-type: none"> The timing and nature of the additional assurance activity is closely aligned with the Inquiry timescales. We already use our own Internal Audit team (supported by Deloitte) to review all completed improvements and will set out a plan for any required additional assurance to meet the new Inquiry timescales in the coming month. Of note, the GLO conformance work is also underpinning the overall assurance of completed actions and is due to complete in June 21. 	Dan Zinner/ Gareth Clark

POST
OFFICE

GLO Conformance Update

Reminder of Intent for GLO Conformance work

- Post Office has started a process to formally review the actions and improvements delivered, comparing them to the requirements of the judgements and hence determining whether POL is now, or will be at a defined future point, fully GLO conformant.
- Board will be aware that over the course of the last few years there have been many reviews conducted, each rightly building on the last and drawing on improved Post Office understanding in the intervening time. Whilst each of these has delivered recommendations and reassurance on progress, none have formally compared changes with the original judgement to formally assess conformance.
- Following this short package of work, Post Office will :
 - Be able to make a determination on its current conformance position
 - Understand any remaining legal conformance gaps
 - Have the reassurance that plans are in place to close those gaps.
- For those at the Inquiry, this work will enable confidence in articulating our current position and clarity on the specific areas which are still in-flight to finalise conformance.
- The work focussed on the two judgements (CIJ and HIJ) and there are two parallel but closely couple workstreams delivering an overall view on GLO conformance
- The determination of GLO conformance will be made by POL staff. Whilst three external companies have been asked to support this work, they **will not** make the decision. They will only collate the required evidence and analysis upon which a decision can be taken.

CIJ Conformance Progress update

- The **draft** CIJ report, which provides a view on legal conformance, is on track to be circulated to SteerCo for review by w/c 7th June 21.
- The report will provide an assessment of legal conformance against each of the CIJ themes and an overall view of conformance. The following ratings have been agreed by Steerco:
 - (a) Full conformance: It appears that POL has fully remediated the underlying reasons for an adverse CIJ finding such that the criticism no longer applies;
 - (b) Substantive conformance: It appears that POL has remediated the underlying reasons for the adverse finding subject to relatively minor deficiencies (i.e. which do not go to the root of the relevant criticism) which may be addressed to ensure 'full' conformance;
 - (c) On the path to substantive conformance: It appears POL is in the process of altering its practices to remediate the underlying reasons for an adverse CIJ finding, where: 1)the pending changes will, once implemented, achieve substantive conformance; and 2)substantive conformance will be achieved in a well-defined period of time;
 - (d) Need to develop a path to substantive conformance: It appears that POL has not remediated the reasons for the relevant criticism in the CIJ, and there is no evidence which suggests substantive conformance is likely to be achieved in a well-defined period of time, based on the information provided.

Expected outcome from NRF CIJ report

- Post Office has made significant steps to conform, but there will be some areas where more work needs to be done.
- At this stage, it is anticipated that there will be some areas where the legal opinion is that Post Office is fully conformant with specific areas of the judgement (e.g. terminations)
- There are some areas where Post Office has met the intent of the judgement, but has not yet delivered a specific recommended change. An example of this is the branch trading statement where Post Office is providing all of the required information to postmasters, but have not yet been able to make the IT changes such that it appears on the statement itself. For this and similar examples, Post Office will be substantively conformant
- With regards to what Post Office has done to change the culture, it is anticipated that this will be classed as “on a path to substantive conformance”. This recognises the fact that considerable work has and is being done to address the issues of the past, but this is on-going and it will take more for Post Office to say it has fully changed the culture within the organisation.
- There will be one area that is expected where it will be identified as needing to develop a path to conformance, which relates to the relationship with the NFSP and the Grant Agreement. It has been identified that whilst initial proposals were made to reflect the requirements of the CIJ, this was never completed and remains a gap. Given the changes to the Horizon Inquiry timeline, this will be a priority for Post Office to remediate.

HIJ Conformance Progress update

- There have been a series of workshops with NRF, KPMG and Post Office to discuss how the HIJ team and KPMG have interpreted the HIJ, and the subsequent actions that have been taken and are planned to address the findings.
- NRF are in the process of using the output of the workshops and supporting collateral to determine whether the findings have been interpreted correctly and that the actions taken and those planned are appropriate to achieve conformance.
- The report will also acknowledge that due to the technical changes that are required and the scope of the plan, this will take time to deliver and that Post Office is on more of a journey in comparison with the CIJ which is almost complete.
- NRF are in the process of drafting the findings and making their conclusions. It is anticipated that the draft report will be ready by w/c 7th June, subject to the initial outline meeting the business requirements. This is currently being circulated to the Steerco for review.
- As the timelines for the Horizon Inquiry have changed, Post Office will need to make further assessments as to how well they are delivering against the plan as time goes on.