

Transformation Committee - Narrative on Branch Support Programme Slide**Overall status of the Programme**

I have marked the “Time” and “Benefit” elements of the Programme amber for the following reasons:

- Delay in getting the business case agreed which has impacted on the delivery dates of some of the activity. However, we are in the process of re-working the lower level work stream plans and will have a better understanding of any revised milestones within the next couple of weeks. This activity will also inform which elements of the benefits we can accelerate into this financial year to bridge the £1.5m gap within the overall network budget.
- There has also been a delay to implementing HORIce due to issues with IT. Whilst we were engaged with IT throughout the process and were informed directly by Fujitsu in stakeholder sessions that they were already using a version of HORIce to support the mediation cases in Sparrow, the formal elements of the process have slowed us down. We have had to complete the relevant Change Requests to perform impact assessments. Fujitsu asked for a three week extension which was rejected but they have ignored our response. This has been escalated internally but this also appears to have been unsuccessful. The reason provided to us was resource issues within Fujitsu.
- The delay in HORIce has the potential to impact on the benefits of the Programme. The success of the revised suspension policy and the process of being pro-active to support branches rests on us being able to see, interpret and act on real time data. Whilst we continue to have the delay with HORIce, losses could be escalating in the network.

Angela and I have discussed the quality measures of the Programme with Michael Brown and the recommendation which will be presented at the Transformation Committee is that we will call out specific elements of the Agent Engagement Survey and the satisfaction with the on-line training modules.

Performance (Benefits)**Suspensions**

In Period 2, there have been 12 suspensions (4 in the South and 8 in the North). Only 5 of these were down to audit shortages where there were no admissions, explanations or offer of repayments. A condition of not suspending is that all three of these have to be in place. Regarding the other 7 cases:

- 1 was due to the power being cut off because the agent was not paying the bills
- 1 was due to a repossession of the property
- 1 was due to bankruptcy
- 1 went into voluntary liquidation
- 1 was arrested for Actual Bodily Harm
- 1 abandoned service
- 1 was subject to a security investigation with Royal Mail

All of the above would have been suspended in “old world” and will continue to be even with the revised policy changes. What we will have to ensure is that we go back to the suspension data for 2013/14 to understand which of the historic cases were suspended due to audit shortages.

Reduction in agent net debt

The YTD net reduction on debt is c£113k. Whilst former agent debt stayed static from Period 1, current agent debt saw an increase in Period 2 of £700k compared to Period 1. A lot of this was recovered, but the amount recovered from former agents was low at 32%, where last year they were trending at above 75-80%. We will be working with Rod and the team to understand what action can be taken to get this back on track.

Satisfaction with training

We will only be able to track this measure from the launch of the regulatory compliance on-line training modules. The prototype will be ready for testing on the 16th June. Depending on the level of feedback from the users during the two week test period and what we have to change, we anticipate that we would like to launch end July/early August. Realistically, this means we will have our first true measure at the end of Q2.

Reduction in calls to NBSC

Given that this is dependent on us implementing root cause analysis on the calls coming into NBSC, we will only see a decrease in calls from the end of this financial year. The action taken from the Steering Group is for myself and Amanda to baseline which information we will use to track calls and the impact of specific activity.

Reduction in audit shortages over £10k

This KPI is dependent on the implementation of HORIce and therefore further delays will impact on the Programme hitting target.

Risks and Dependencies

In terms of resource allocation, Angela and I have an action following a meeting with Sharon Bull to understand where we can implement activity sooner to bridge the gap in the cost challenge. This will need to involve Ann Miller and the relevant Programme representatives to understand what the people/resource plan needs to look like.

In terms of IT, we are already finding hold ups in a couple of areas:

- Lack of resource in Fujitsu to process change requests in a timely way
- Lack of internal IT resource to process Horizon script changes which will improve the experience for branches and customers. It isn't a case of budget, but the fact that IT have not increased the skill base required in Bracknell to cope with all of the system changes which are required by the wider business. This is leading to uncoordinated decisions being made about business priorities and respective change.

This risk will be called out by Strategy in the Transformation Committee as a number of Programmes are suffering the same risk, but no plan to resolve the issues appears to have been produced.

The biggest dependency for the Programme is on Business Transformation. When Angela and I attended the Steering Group and SME sessions, their approach will be to “process map” different sections within the business. This is potentially duplicating the work that has already been done. This isn’t in the sense of formally documenting the process but more regarding how they’ve calculated cost savings. However, we are closely aligned into the activity and we will know more in the coming weeks.

Delivery plan (RAG) status

On the advice of Strategy, we’ve moved the milestone for HORIce to red, based on the reasons above and it has been re-planned for beginning of Quarter 2.