



Sparrow

Weekly Steering Group

11th September 2013

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Agenda

1. Specific Agenda items
 1. Independent Chair
 2. Update from JA meeting
2. Programme update:
 1. Work streams highlights
 2. Budget (no updates since last meeting)
 3. Risks (not updates since last meeting)
3. Next Meeting planned for Tuesday 17th September at 4pm.

Decisions for this meeting

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Public Commitments - work stream updates



Work stream	Update	Status
Initial Complaint Review and Mediation Scheme (Complete Cases)	<ul style="list-style-type: none"> Briefing day for panel advisors went well with 21 potential advisors attending. We shared information on the scheme, made them familiar with the Post Office branch processes and explained how the case study process works including what would be expected of them. Panel Advisors: <ul style="list-style-type: none"> At the end of the session about a third of the advisors publicly said they were happy to be on the panel with others are going away to decide. An Agreement will be sent to advisors this week so we start signing them up more formally. We will also start filling any gaps that arise in the panel e.g. geographically - Wales and professionally lawyers - if Shoosmiths decline. Common agreement reached on majority of Working Party TOR, the voting right issue will be resolved this week.. 20 Applications have been submitted, first WG meeting to review this is on Thursday. Meeting planned next week to review/agree ways of working with SS. 	Amber
Adjudication of future cases	<ul style="list-style-type: none"> Candidates , JD and briefing to be sent to Paula. Once on board the Independent Chair will review the future process post March 14–this work stream will then be re-planned. 	Amber
Branch User forum	<ul style="list-style-type: none"> Updated the plan: moved initial branch forum meeting later so that it aligns with output from the Improvement work stream 	Amber

Other work stream updates



Work stream	Update	Status
Legal (criminal cases)	<ul style="list-style-type: none"> Conference with Brian Altman 9th September, he was positive about current process already completed by criminal lawyers. Recommended a way forward with the difficult issue of continued disclosure. TOR to be finalised post meeting. Scottish cases review completed with procurator fiscal new ways of working established. Issue re appointment of academic as IT expert: Criminal lawyers progressing, approval from PO Board will be required. View of QC and criminal lawyer was that this was necessary to deal with challenges in criminal court. Current plan still to be reviewed following QC steer. 	Green
Improvements & Culture change	<ul style="list-style-type: none"> Defining the "As is" process work is on track to deliver by 30th Sept. From the 80 gaps/issues recorded so far there are common themes emerging: Training, Comms, Processes, Products, Horizon, Support, Systems, Ownership and Leadership. Quick wins have been identified and whilst these are low level issues they will have a positive impact on in-branch users and will reduce effort/duplication with the support/central functions. The relevant business owners have taken ownership of these quick wins and will deploy/Implement from 9th Sept onwards. Stakeholder input/engagement continues with the project on track to complete the recommended future state by 20th Oct. 	Green
Communications	<ul style="list-style-type: none"> No updates since last week. 	Green
Technology	<ul style="list-style-type: none"> Meeting with Fujitsu to review/confirm 5 changes scheduled for 9th September - NFSP also attended. NFSP brought and additional 8 changes - further analysis work and prioritisation required. 	Amber

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Legal Update – Case Review

Statistics as at 14/8/2013	Initial Sifts	Fully Reviewed	Disclosure recommended	Discontinued	Comments
To date	155	27	9	4	The cases of J Patel, Brown, Wylie and Knight have been terminated. Samra has yet to be terminated.
Remaining	70	16			It is estimated that there are approximately 70 sift reviews left. This includes 37 RMG files from archive, yet to be received and in the region of 15 files from Northern Ireland. It is not yet clear how many cases will be cases will be received from Scotland

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Active cases



Currently there are no active cases

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Appendices



- High level milestones
 - Public commitments – slide 8
 - Legal – slide 9
 - Improvement – slide 10
 - Communications – slide 11
 - Technology – slide 12
- Budget
 - Overview – slide 13
 - Actual to August 2013 – slide 14
 - Planned to Mar 2014 – slide 15
- Risk
 - Risk map and descriptions – slides 17 to 18

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							
			---> 29/09 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			▲ 16/09 Define process for appealing cases outside the line							
Adjudication of future cases Angela VDB Susan Crichton			▲ 10/09 Appoint an independent figure to determine how an independent safety net might be introduced							
			▲ 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							
			---> 06/09 complete engagement with stakeholders							
			---> 13/09 Issue final TOR and send out invitations to first forum							
			▲ 10/11 First Branch User Forum							
			Branch User Forum meets regularly							
<p>Notes: Tasks added/amended since last version in red.</p> <p>Version 007 20130815</p>										
<p>▲ On Track △ Achieved Milestone ▲ Original Date (not achieved) ▲ Delayed (no impact) ▲ At Risk/ Delayed (potential impact) ▲ Issue / Delayed (material impact)</p> <p>---> Names of critical resources ---> Dependency</p>										

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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										

△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

△

▲ 30/08 Monthly Reporting to Programme Board

Notes:
Tasks added since last version in red.

Version 007 20130815

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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 journey/experience with POL																			
	▲ 30/09 Complete "as-is" multiple partner 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 journey/experience with POL																			
	▲ 20/10 Complete "to-be" multiple partner 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.																			
<p>Notes: Tasks added since last version in red.</p> <p>Version 007 20130815</p>																				
<p>▲ On Track △ Achieved Milestone ▲ Original Date (not achieved) ▲ Delayed (no impact) ▲ At Risk/ Delayed (potential impact) ▲ Issue / Delayed (material impact)</p> <p>■ Names of critical resources → Dependency</p>																				

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Communications - High level Plan



Notes:

Unclear if JA has communicated the process to MPs

Version 007 20130815

Legend:
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

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				△ 09/09 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							
				△ 31/10 Deliver changes (release 9 dependant)						
							△ 15/03 release 10 live			
							△ 15/03 new reports available			

Notes:
Draft status.

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Legend:

- 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

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

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

2012/13 Invoices received

2nd Sight			Millnet			Kay Linnell			Total
Total	Invoice	amount	Total	Invoice	amount	Total	Invoice	amount	6
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	Invoice	amount	Total	Invoice	amount	Total	Invoice	amount	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							

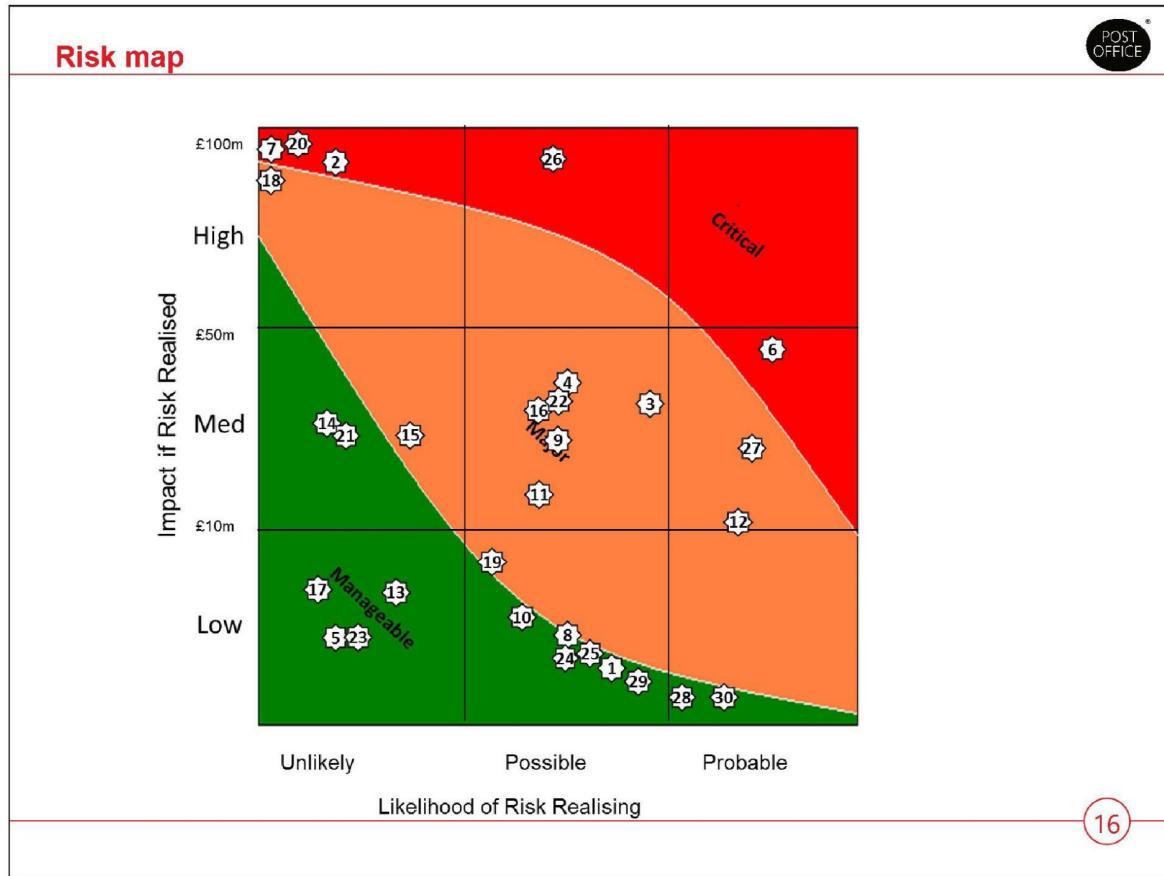
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Budget – Forecast (Aug 2013 – March 2014)



Item	£k	£k total net VAT	Inc VAT @ 20%	comment	Board Paper low	Board Paper high
Complete Cases (using Mediation)						
Second Sight	125			Assumed number of cases: 75 Second Sight at 25k per month (Aug-December)	100	150
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 SPMs. Engaging and briefing mediators, attending working group meetings (i.e. 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 Linneil/ Alan Bates	14			£2k per month (up to)	0	10
Independent Chair	25					
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

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Risks

	Risk description		Risk description		Risk description
2	Risk that subsequent cases could question the validity and reliability of computer system/processes	3	The mediation process is independent and may make decisions with which we are uncomfortable	1	Risk that there are more cases in the pipeline
6	Making decisions outside of policy	4	Risk that resolution not achievable because stakeholder interests in conflict with POL objectives	5	Risk that the integrity of the brand is damaged and clients/customer trust damaged
7	Risk that relationship with BIS is impacted, affecting future funding	9	Risk the relationship with Fujitsu is damaged	8	Risk that we are not co-ordinated in our response to subpostmasters etc
20	Risk that potential franchisees lack confidence in system and are reluctant to engage in CTP	11	Risk of compensation claims or re-opening of old cases	10	Loss of confidence with existing/future clients
26	Risk of media 'bandwagon'	12	Risk of dissatisfied stakeholders even at the end of process	13	Adverse impact to the relationship with NFSP
		15	Key person reliance	14	Risk that MPs may call for further action e.g. public inquiry
		16	Risk of increased fraud/theft	17	Risk that court can overturn previous cases
		18	Risk that engagement for NTP is lower	21	Risk that POL can't afford to complete this process (conflict with cost savings agenda)
		19	Risk that general engagement of employees is damaged and results in people leaving	23	Risk that customers question transaction made in branch
		22	Risk that ancillary systems & processes have related or similar issues as yet unquantified	24	Lack of confidence in SPMRs that POL commitment to sort out issues
		27	Risk of increased bad debt/write-off	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

Note :

These will be updated following a session booked for 17th Sept. This will document how we will monitor and mitigate these risks. Key risks will be tracked and presented at the weekly steering board.