



Sparrow

Weekly Steering Group

29th August 2013

Agenda



1. Specific Agenda items
 1. Branch User Forum
2. Programme update:
 1. Work streams highlights
 2. Budget (no updates for this meeting)
 3. Risks
3. Next Meeting will be on Tuesday 3rd September at 4pm.

Decisions for this meeting

1. Agree Branch User forum TOR

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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"> Mediation Pack agreed by Working Group The Working Group have agreed to extend the submission date to 18th November as the date for launch has been pushed back, so that SPMRs have enough time to submit their applications. The pack was distributed to via JFSA, Shoosmiths and MPs. Finding and agreeing a panel of independent advisors continues so that we can provide a mix of legal and accounting support for SPMRs with good geographical coverage. Planning for the 5th Sept training day for independent advisors and mediators is progressing. Mediators agreed and appointed (CEDR) Common agreement reached on majority of Working Party TOR, the only exception is that SS believe they should have a voting right on the Working Party and JFSA disagree - Susan is managing resolution of this issue. 	Green
Adjudication of future cases	<ul style="list-style-type: none"> We currently have 6 potential candidates for the independent chair. A JD and briefing pack will be created this week for Paula to review. Once on board the Independent Chair will review the future process post March 14- therefore this work stream will be re-planned. 	Amber
Branch User forum	<ul style="list-style-type: none"> Updated TOR submitted for Steering approval. 	Green

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Other work stream updates

Work stream	Update	Status
Legal (criminal cases)	<ul style="list-style-type: none">Planning meeting with Brian Altman QC. The QC will provide an initial steer on the process for existing cases. This session will be the first step in helping us define a process for future cases.Current plan will be reviewed following QC steer.We are urgently working with our external firms to identify an independent expert to provide evidence on the Horizon system.See slide 5-6. Completion of initial case reviews on hold until QC meeting.	Amber
Improvements & Culture change	<ul style="list-style-type: none">See slide 7-9	Green
Communications	<ul style="list-style-type: none">See slide 10	Green
Technology	<ul style="list-style-type: none">See slide 112 Ref data changes moved into release 9 test cycle.	Green

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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

Active cases



Currently there are no active cases

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Improvement work stream – progress to date

- Mapping of the “as-is” and identification of “quick-wins” and improvement opportunities has started. A consistent survey is being used and engagement sessions have been held with the following teams.
 - Finance Service Centre – ATM team
 - Finance Service Centre – Santander Team
 - Finance Service Centre – Mails and Stock Team
 - Regional Sales Managers
 - National Contract Managers
 - Contract Policy Team
 - Restrictions Manager
 - Retail Cash Team
 - Contract Team – Agents Application Process Team
 - Contract Team – Crown Transformation Recruitment process
 - Contract Team – Franchise Support
- Engagement sessions will continue with the following teams w/c 26th August:
 - National Federation of Subpostmasters
 - Regional Manager and Field Team Leaders – South
 - Security
 - NBSC
 - Customer Care and POEX

Improvement work stream - Emerging gaps and issues



- The mapping of the “as-is” process also includes capturing the emerging gaps and issues. The results captured so far have identified some common themes:
 - 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 quality measures within teams to measure the experience of the branch during the contact
 - Inconsistency or training provided to teams dealing with branches, including lack of documentation to capture what they are supposed to be doing
 - Lack of awareness of the role they play in the overall experience of the branch with Post Office
 - Lack of communication with other teams, especially in resolving issues
 - Activity with a branch is often re-active and is a result of a problem rather than being proactive to offer support to prevent re-occurring problems
 - Inconsistency in the level of ownership between teams when trying to support branches with issues

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.

Improvement work stream - Plans for September



- Attend improvement session with Fujitsu on the 9th September
- Continue engaging with the remaining Post Office stakeholders to map the “as-is” process
- Engage with subpostmasters via the Quarterly Business Up-date events during September
- Agree the “quick-wins” at the next Programme Board – provisionally being held for Tuesday 3rd September
- Start/continue deploying the quick wins
- Support individual case review process by communicating learnings from discussions with key stakeholders

Communications update



27th August 2013 (Mediation Announcement Day)

- Press release issued at 10am
- MPs –
 - All MPs that raised a case (via POL or BIS) were emailed and called. They were provided with the mediation pack and letter for SPMRs as well as being offered a meeting with POL
- Internal Communications
 - Memoview announcing mediation process issued at 8.00am
 - Email to SLT
 - Email to all managers (Focus Online Special)
 - News item on Subspaceonline
 - Brief and Q&As to NBSC/POEX
 - Details in next issue of Branch Focus

Feedback

- MPs - offices were happy with approach, no meetings requested as of yet.
- Press – limited pick up so far broadcast coverage on BBC South and BBC Wales. All coverage includes key messages.
- Internal – no feedback as of yet.

Technology Change



- 5 Changes identified at this stage

Change	Improvement
1. Branch Ordering of Stock Enhancement	Improve navigation process and reduce time spent by the branch when ordering stock.
2. Certificate of Posting for multiple items	Reduced transaction time and printing costs
3. Postcode look up	Improved functionality
4. Passport Duplicates	Speeds up the process
5. Remittance Out button	Adding this to the end of day process to streamline activities.

- Workshop planned to review Fujitsu analysis and options for delivery.
- Angela to sign-off on improvements.

Appendices



- High level milestones
 - Public commitments – slide 13
 - Legal – slide 14
 - Improvement – slide 15
 - Communications – slide 16
 - Technology – slide 17
- Budget
 - Overview – slide 18
 - Actual to August 2013 – slide 19
 - Planned to Mar 2014 – slide 20
- Risk
 - Risk map and descriptions – slides 21 to 22

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 19/08 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			▲ 22/08 Define process for appealing cases outside the line ▲ 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							
Adjudication of future cases Angela VDB Susan Crichton			△ 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 Branch User Forum meets regularly (frequency agreed in TOR)							
Branch User Forum Angela VDB Lesley Sewell			▲ 05/10 First Branch User Forum				▲	▲	▲	▲

Notes:
Tasks added/amended since last version in red.

Version 007 20130815

▲ 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

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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)
- 08/08 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
- 30/08 TOR for full QC report agreed
- 30/09 Full QC report complete
- Monthly Reporting to Programme Board

Notes:

Tasks added since last version in red.

Version 007 20130815

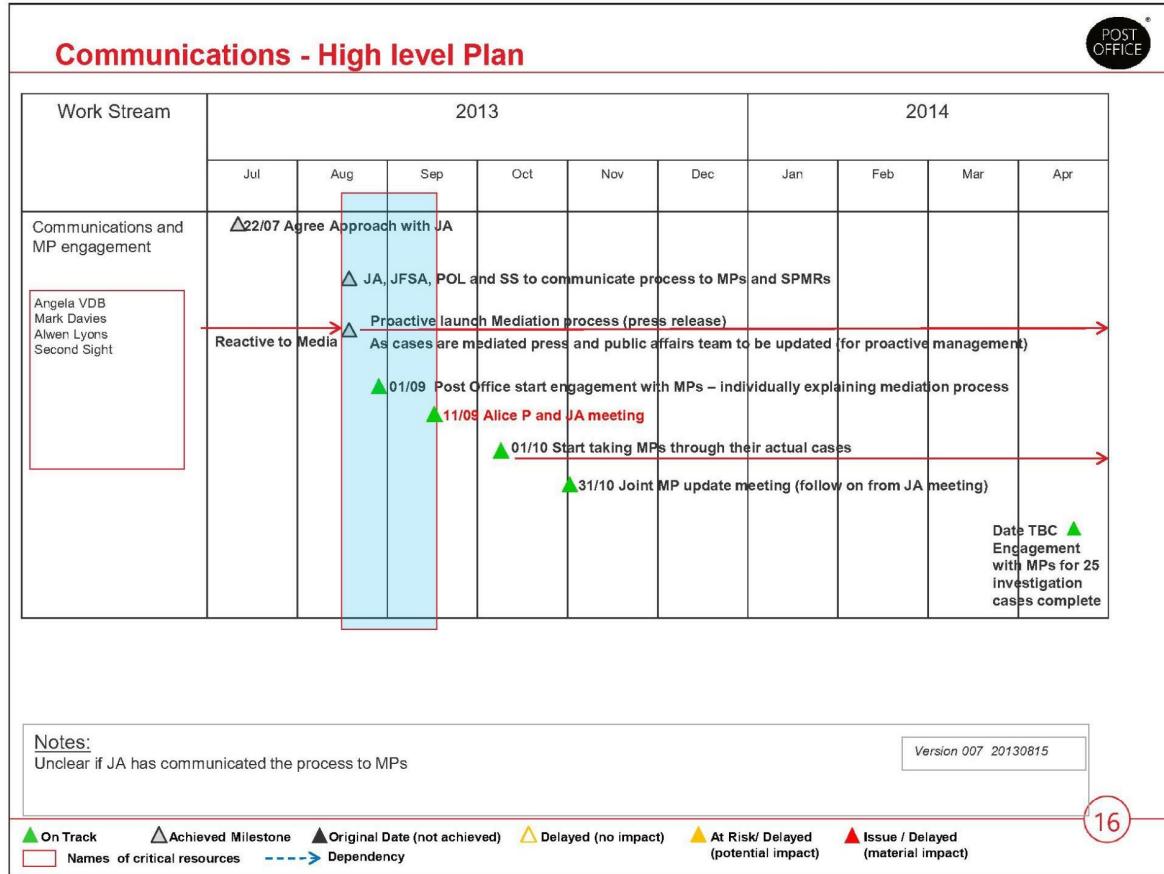
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▲ On Track △ Achieved Milestone ▲ Original Date (not achieved) △ Delayed (no impact) △ At Risk/ Delayed (potential impact) ▲ Issue / Delayed (material impact)
 █ Names of critical resources → Dependency

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: Milestones to be provided by Gayle/Angela by 15/08																			
<p>Notes: Tasks added since last version in red.</p> <p>Version 007 20130815</p>																				



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								
Release 10 improvements		15/08 Review guidance with NFSP	30/08 Issue guidance to branches							
Reporting improvements		30/08 Agree contents for Horizon release 10	30/09 Commercials agreed for Horizon release 10							
Improvements delivered through ref data	30/07 Define changes	02/08 raise CR with Fujitsu	30/09 Agree commercial terms with Fujitsu	31/10 Deliver changes (release 9 dependant)						
								15/03 release 10 live		
								15/03 new reports available		

Notes:
Draft status.

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

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							

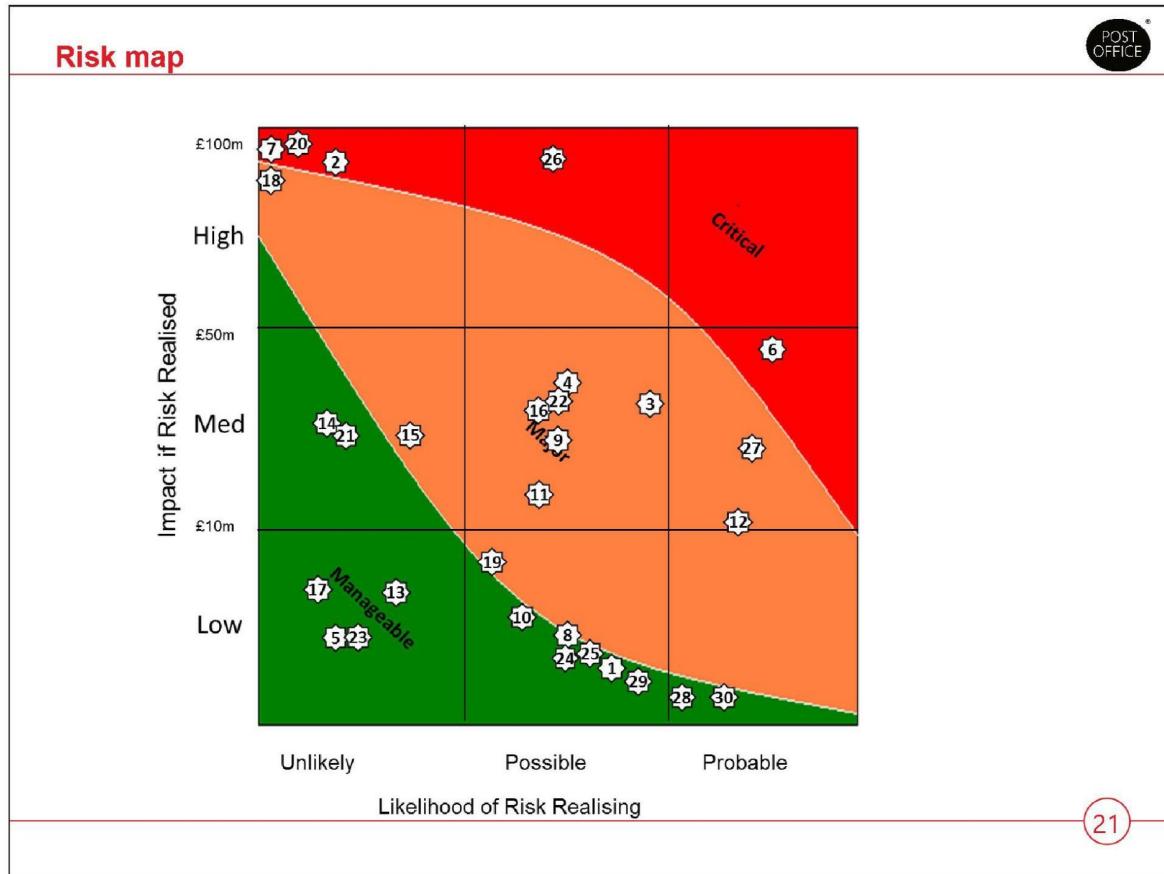
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Budget – Forecast (Aug 2013 – March 2014)



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 9th Sept.
This will document how we will monitor and mitigate these risks.
Key risks will be tracked and presented at the weekly steering board.