



Initial Complaint Review and Mediation Scheme Programme Board 17th January 2014



Agenda

1. Programme Director's Update

2. Terms of Reference

3. High Level Success Criteria

4. Performance Dashboard

5. Key Risks and Issues

6. Financial Outlook

7. Early Settlement Criteria

Decisions for this meeting

Agree the terms of reference for the Programme Board

Agree the high level success criteria for the programme

Agree mitigating actions/resolutions for escalated risks & issues

Consider/agree the budget and the resourcing proposal

Approve the early settlement criteria

Approve the communications plan (in correspondence by 24 January)



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Delivery & likelihood of success

Trajectory



Overall the scheme is stabilising with a firmer grip on facts and data, however there is still a lot of work to be done to mitigate the risk the Scheme poses to Post Office's reputation and business (through the quality of our administration, investigations and delivery).

- **Administration** – a full review of the Scheme's administration is almost complete. This has brought to light issues with purchase orders, payments, correspondence dispatch and logging and the approval of advisors
- **Governance** – first programme board meeting today, resources for programme not yet confirmed, revised risks and issues management in place, process mapping and documentation ongoing
- **Stakeholders** – relationship with JFSA and Second Sight in a challenging phase as we seek to agree engagement terms with Second Sight
- **Legal** – revised support model with Bond Dickinson in place
- **Risk** – programme is very high risk - including a high risk of delivery failure



2. Terms of Reference

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Frequency

- Fortnightly

Chair & Secretariat

- Chris Aujard, Chair
- Nicky Mal, Secretariat

Core Membership

Fay Healey (NED) Belinda Crowe, Angela Van-Den-Bogerd, Charles Colquhoun, Andy Holt, Rodric Williams, Andy Parsons, Sophie Bialaszewski, Jess Barker, Max Warren, Nicky Mal, David Oliver, Ben Maddison, Caroline Culver

Objectives

- To provide the overall direction and management of the programme

Inputs

- Programme Board reporting pack
- Key management information from case tracker
- Escalated risks or issues for review
- Draft deliverables for sign-off

Responsibilities & Accountabilities

- Agree key programme artefacts including the programme plan and comms plan
- Ensure the appropriate coordination across the projects that comprise the programme
- Reviewing/signing-off deliverables
- Review civil and criminal cases
- Define acceptable risk profile and risk thresholds for the programme & its projects
- Resolve issues between projects, which need the input and agreement of senior stakeholders to ensure the progress of the programme
- Own the resolution of risks and issues that the programme faces
- Ensure resource availability for programme activities & resolve conflicts
- Resolve dependencies across programmes
- Define the success criteria for the programme
- Review programme budget every month
- Ensure the programme complies with Post Office data security policies
- Ensure suggestions for improvement/themes arising out of the programme are fed into the Business Improvement programme and vice versa

Outputs

- Agreed programme artefacts
- Signed-off programme deliverables
- Agreed mitigating actions for risks /resolution to issues
- Agreed escalations to ExCo
- Success criteria for the programme
- Minutes and actions



3. High Level Success Criteria

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Short-term

Medium-term

Long-term

Wider Strategy

Reputation

MPS

Subpostmasters

Second Sight

Finance

Case Processing

VISION

Wider strategy not undermined by loss in confidence in Post Office as a brand and franchise partner.

Trust in Post Office as a brand enhanced to support expansion of products in line with 2020 strategy

Post Office is seen as a fair partner which values its agents and handles their complaints fairly and efficiently.

- Reputation enhanced
- Strategy delivery augmented
- MPs supportive of Post Office
- Subpostmasters energised and engaged
- Second Sight engagement satisfactorily completed
- Good value for Tax payer achieved
- New complaints scheme in place
- New prosecution policy and intervention policy implemented
- All Scheme complaints resolved
- Ability to attract high quality Subpostmasters increased

Reputational damage caused by ongoing Horizon issues stopped

Reputation improved among Subpostmasters, MPs and with journalists covering the Scheme

Interest among MPs in Scheme declines as they feel constituents are being treated fairly (proxy measure MPs' correspondence & PQs)

Post Office engages directly with interested MPs and is the first point of call for enquiries about the Scheme/Horizon/SPMR complaints

Subpostmasters feel positive about the way the scheme has been administered and confidence in Horizon is increasing

100% cases settled within policy guidelines. Scheme administration in budget

90% cases investigated by POL by end of July and 90% of cases mediated by end of September

Feel that Post Office is engaging in good faith and the Scheme is being administered efficiently and effectively

Second Sight endorse the Scheme as fair and robust

Second Sight is focused on providing timely, evidence based reports on applications that allow successful mediation or settlement of most cases

Cases are triaged to effectively identify cases that are appropriate to settle early or removed from the Scheme (target TBC)

Scheme administered in an efficient and professional manner

Investigations are thorough and impartial. Reports are balanced and professional.

4. Performance Dashboard

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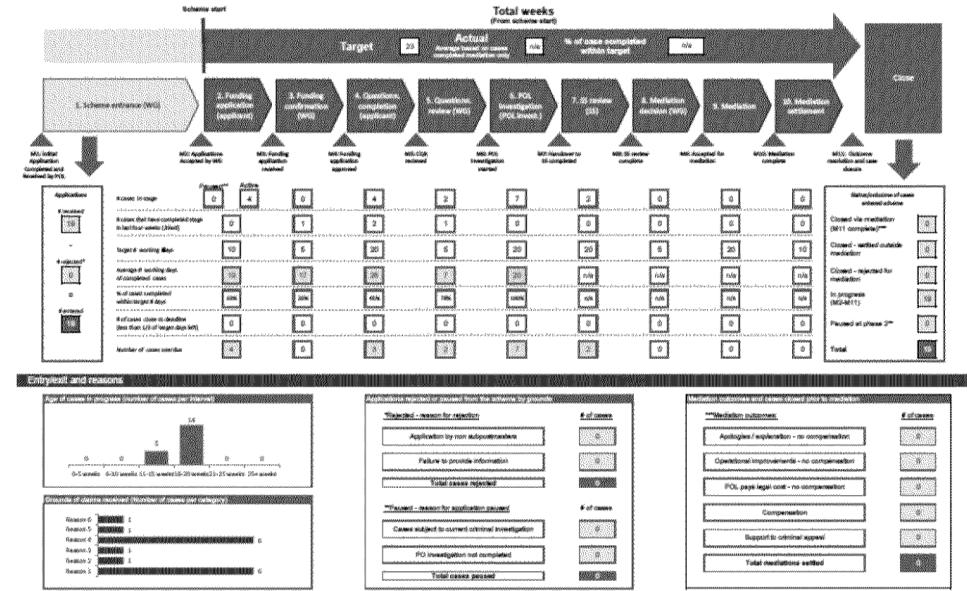
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Project Sparrow - Case tracker: Programme team dashboard (PO internal only)

Case load and flow

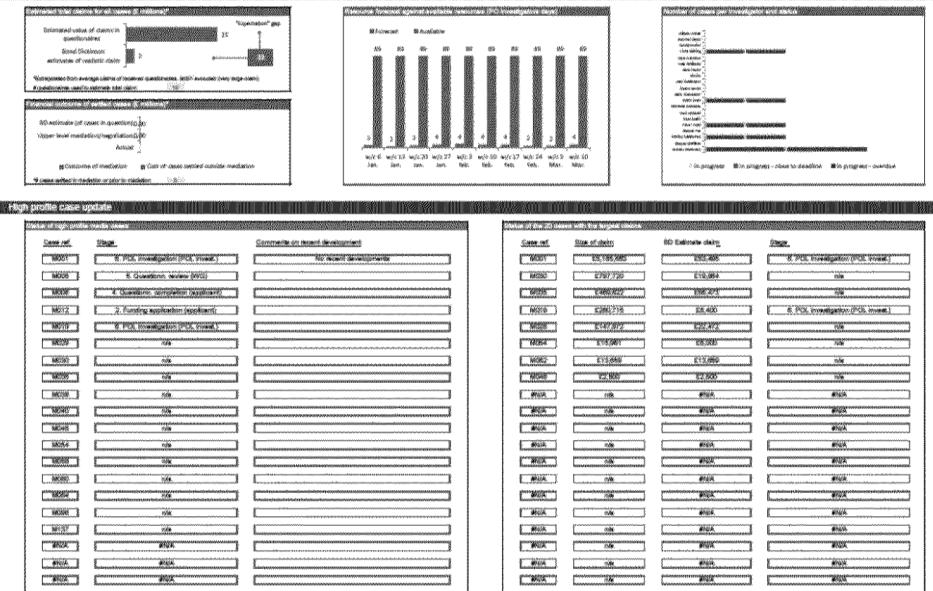


Sample Data



Project Sparrow - Case tracker: Programme team dashboard (PO internal only)

Case & resources



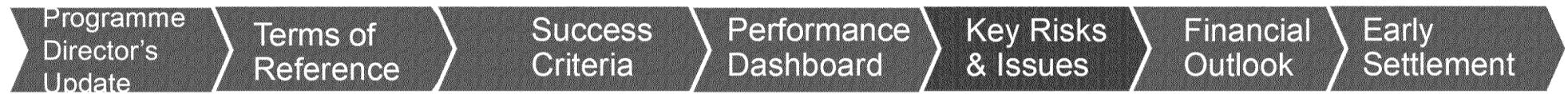
Sample Data

- The Performance Dashboard has been developed
- Data cleansing/administration activities continue to improve the data quality prior to populating the dashboard
- The first report will be available by the next Programme Board meeting



5.1 Key Issues

– extracted from programme register



Issue	Action(s) / Update	Owner
Second Sight (SS) lack resources to progress the investigation of cases	SS have been relieved of Scheme administration activities. Their contract is being revised and resource requirements are being monitored through the WG. Although they have provided a CV for an additional resource to CA, this will be insufficient to manage the workload soon to commence; should we be seeking alternative resourcing arrangements?	BC
Second Sight and JFSA consider the scope of Second Sight's work to extend beyond the Scheme and in any event, have taken a very wide view of Second's Sight's investigatory role within the Scheme	<ol style="list-style-type: none"> 1. Continuing discussions with Second Sight about their engagement 2. Conversations with AH about the role within the Scheme 3. Clarification with PV and AP about scope 	CA
Delays in getting all the Fujitsu data requests returned in the timeframes expected by WG – technically we are limited to the number of queries we can run (about 30 months of data per week, e.g. 1 x 30 month request or 30 x 1 month requests).	<ol style="list-style-type: none"> 1. Arrange a meeting with Fujitsu to explore the possibility of improving the number of queries which can be processed at any one time 2. Investigations team to schedule and prioritise requests in a weekly meeting with Fujitsu. 3. Investigations team to look at how we focus cases to more specific data ranges rather than broad requests. Accept and manage impacts of the schedule back to the WG via Angela. 	AH



5. Key Risks – extracted from programme register

Programme Director's Update	Terms of Reference	Success Criteria	Performance Dashboard	Key Risks & Issues	Financial Outlook	Early Settlement
Risk	Action(s) / Update				Owner	
The list of POL representatives for mediation have not been confirmed. Potential representatives have been selected however agreement for their release from BaU has not been sought. This could potentially delay the mediation timescales.	<ol style="list-style-type: none"> 1. The Programme Board is requested to endorse the selected representatives 2. CA to seek confirmation from relevant Director and ExCo 				CA	
POL process for raising purchase orders are cumbersome; this could potentially delay the progression of cases through the Scheme	<ol style="list-style-type: none"> 1. Administration activities including the clarification of purchase orders is underway 2. BC and JS to meet AH to discuss the mediation purchase order process 				BC	
There is a risk that the POL investigators will not have the required capability to write the reports to the standard required	Initial training provided at the Investigators' workshop on 17 th December. Quality assurance of Investigators' reports commenced. Feedback being provided.				AVDB	
Risk that a challenge emerges whether founded or unfounded in relation to the safety of a conviction which requires deployment of substantial resources, with associated with PR implications	<ol style="list-style-type: none"> 1. Action appropriate person to develop a set of contingency plans 				RW	
Risk that Fujitsu technical specialists are not available when required for questions relating to functionality/data.	This will be managed/mitigated by scheduling requests in the weekly meeting as well as by creating a forward plan for Fujitsu to look at how they create the required capacity for the skill set needed. POL may also have to consider prioritising between this and other project work, this requests will be escalated by the Programme team where required.				AH	



6.1 Financial Outlook

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- The Scheme is currently assumed to be all exceptional next year in the budget process
- Compensation paid to agents in relation to the Scheme could be treated as exceptional on the basis that the total amount paid out is significant in the context of a specific financial year (spend >c£5m) however the compensation could not be linked to Network Transformation as it is in relation to past events
- Review and set up of new internal processes can be treated as exceptional as, for accounting purposes, it can be seen as part of Network Transformation as this relates to the establishment processes required for the future models
- However it is unlikely to be possible to treat the project costs of mediation as exceptional because it will not be significant in amount. This element relates to a past event (the dismissal of the subpostmaster concerned)
- Therefore we need as much of the mediation spend to be incurred this financial year.

6.2 Financial Outlook

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Mediation costs*

	£k
Bond Dickinson	1,080
Cartwright king	392
Independent Chair	40
Second Sight	504
Mediators (CEDR)	466
Fujitsu	616
Mediation venue costs	112
Subpostmaster's advisors	422
Project Management	167
PA Consultants – to end March	232
Mediation case team	610
FSC	50
Other costs	9
Total Mediation cost	£4,700k

Average cost per case

PA consulting included to end March resourcing decision required thereafter which is likely to increase costs

Excludes compensation payments

£ 32k

Other project costs*

	£k
Project Management	19
Bond Dickinson	60
Brian Altman QC	169
PA consulting	26
Total Other Project costs	£273k

Total Sparrow costs	£4,973k
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Mediation Costs

The budget line only takes account for the budget we have on PA spend.

Is there anything further we can do to draw spend forward to 13/14?

*Based on 147 cases



6.3 Finance – PA proposal

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- In late October 2013 the governance of the Programme was revised
- The Steering Group recognised that the lack of full time resource was leading to a business risk
- PA Consulting were engaged to establish Scheme governance and programme management
- The CFO has extended PA's engagement to the end of March 2014
- However PA's current proposal from now until end of September 2014, for £926k is:
 - Programme Manager to the end of September 2014
 - Programme Office Manager and Secretariat to the end of September 2014
 - Policy Development Lead to the end of July 2014
 - Scheme Process Support to the end of July 2014
 - Expert advice on complaint handling and programme management (as & when necessary)
 - Case Management resource to the end of July 2014
- The Board is invited to consider and decide:
 1. Whether there is a requirement for a case management resource
 2. How we resource the programme and if that is through PA's proposal to mandate the Programme Director to negotiate detailed terms (with CC and procurement)



7. Early Settlement Criteria

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- Detail on the early settlement policy is set out in the paper circulated with these slides
- In summary:
 - Early settlement will reduce costs for the Programme
 - The policy can be applied at every stage of a case as it progresses through the Scheme
 - Bond Dickinson will lead on identifying suitable cases
 - Senior managers at POL will engage with Applicants
 - A wide range of different cases could be settled early:
 - Low value claims – under £15k
 - Where POL is clearly at fault
 - Where a case is too old to investigate mediation could be unproductive
 - Follows the process in settlement policy for scoping and approving settlements so that governance controls are in place

1. Communications Plan
2. Next Programme Board – Tuesday 4th February, 11:30 – 12:30, Room 108

Agenda:

- a) Programme Update
- b) Mediation Scheme
- c) Second Sight first case report
- d) Themes arising from CQRs
- e) Performance Dashboard
- f) Risks & Issues
- g) Development of future complaint resolution model