



IT&C Transformation Programme

Programme Board Update

16/04/12



Meeting Details

- **Date:** 16th April 2012, Time: 12:00 – 13:00, Location: Room 201
- **Dial in Details:**
- **Chaircode:**
- **Participant code:**

Attendees

- Lesley Sewell – Programme Sponsor
- Chris Day – Chief Financial Officer
- Fay Healey – Head of HR
- Nicholas Kennett – Financial Services Director
- Brian Deveney – Head of Managed Services and Sourcing
- Peter Goodman – Head of Finance Operations (deputy for for Chris Day)
- Neil Lecky-Thompson – Head of Programmes and Planning
- Iain Patterson – IT&C Transformation Director
- Dave Tansley – Lead Deloitte Partner
- Bhavesh Morar – Deputy IT&C Transformation Programme Director

Apologies

- NA

Tentative

- Hugh Flemington – Head of Legal

Agenda



Ref.	Item	Owner	Time (Mins)
1	Programme Board Terms of Reference (Agree Purpose)	IP	10
2	Summary of actions outstanding from previous meetings	IP	0
3	Programme Summary Status	IP	15
4	Programme Milestone Overview	IP	10
5	Programme Financials & Resourcing <ul style="list-style-type: none">• Programme Financials - Initial Overview• Programme Financials - Final Overview• Programme Resourcing	IP	20
6	Decisions for review and validation	IP	0
7	AOB	IP	5



Programme Board – Terms of Reference

Meeting Name:	Programme Board	Frequency:	Monthly
Agenda: <ul style="list-style-type: none"> • Ensure that the IT&C Transformation programme delivers in line with the overall business strategy • Provide a progress summary of the IT&C Transformation programme, with a specific focus on benefits realisation as agreed in the business case • To advise on any changes to the strategic direction and subsequent impacts on the programme • Ensure the interests and requirements of the business are represented • Escalate issues, request decisions or seek support where required from the Executive Board members • Approval for additional funding and major changes to baseline programme timescales before submission to the Post Office Governance Boards. • Review and approve/reject escalated change requests. 		Duration:	1 hour
		Chair:	Lesley Sewell
		Attendance: <ul style="list-style-type: none"> • Nick Kennett (Financial Services Director) • Chris Day (Chief Financial Officer) • Hugh Flemington (Head of Legal) • Fay Healy (Head of HR) • Neil Lecky-Thompson (Head of Programmes & Planning & Business Engagement Lead) • Brian Deveney (Head of Managed Services) • Dave Tansley (Lead Deloitte Partner) • Iain Patterson (IT&C Transformation Programme Director) • Bhavesh Morar (Deputy IT&C Transformation Programme Director) 	
Scope: <ul style="list-style-type: none"> • Accountability for ensuring the programme is aligned to the overall business strategy and delivers the intended benefits. 			



Actions from previous meeting (05/03/2012)

Date Raised	ID	Action	Raised By	Action Owner	Delivery Date	Updates/Progress	Open/Closed
05/03/12	AP02	To ensure that the communications plan is walked through at the next Programme Board		LK/NLT		21/02 – full plan to be circulated at next board 19/03 – Communication to staff complete, action can be closed	Closed
05/03/12	AP06	To provide a briefing of DVLA and other similar procurements approach to market engagement days.		DT		Market engagement day successfully held 29/03. Action can be closed	Closed
05/03/12	AP03	To circulate proposed agenda for 20 February 2012 market engagement day planning meeting with RMG. This should include RMG requirements for the meeting and ensure that sharing of the RMG plan occurs. Due: 10 February 2012		BD		Market engagement day successfully held 29/03. Action can be closed	Closed
05/03/12	AP11	LS to drive the importance of obtaining Board approval at the ET meeting scheduled for 6th March		LS		ET meeting took place 06/03. Action can be closed.	Closed



IT&C Transformation Programme Weekly Update (13/04/2012)

Decisions / Escalations Required				Due Date
1. None				
IT&C Transformation Programme	Last Week	This Week	Fore-cast	Comments
Overall	A →	A →	G ↑	On plan with risk of delay under control. ITT for IT products issued. Resource challenges are currently being managed, although there is a risk that if this continues, delivery could be impacted.
Budget	A →	A →	A →	Budget profile being revised to include increase in scope. Budget management to be done at project level by project managers and by PMO at programme level going forward.
Projects	Last Week	This Week	Fore-cast	Comments
IT Frameworks Procurement	G →	G →	G →	On plan. IT Consultancy ITT Responses received. IT Products ITT issued. IT Solutions Delivery ITT advanced draft released to review group on 12/04. IT Consultancy scorecard updated and ready for evaluation w/c 16/04.
IT Supplier Procurement	A →	A →	G ↑	On plan. SI/SD OJEU and PQQ ready for issue on 13/04. Three new team members on-boarded. Feedback from Market Engagement Day (MED) collated and shared. MED material made available to suppliers. Towers ISOS development is 4 weeks behind plan – recruitment underway to resource the activity.
IT&C Operating Model	G →	G →	G →	On plan. Continued work on the draft of key accountabilities of the SI and hand offs with different functions within IT&C. Various key meetings held to discuss current environment and improvement opportunities.
Incumbent Supplier Management	A →	A →	A →	Behind plan. Iain organising a session with Chris Taylor, Chris Barretto, new contractors and programme leadership for w/c 16/04 in order to bring all up to speed. Various options which need exploring and discussing will help focus the incumbent supplier management stream appropriately. Contracts review in progress.
Transition Planning	N/A	G →	G →	On plan. Transition planning team fully mobilised. Transition planning to understand impact of delivering FOOg and managing our current in-flight projects underway.
Current Lag	Focus for Next Week			Key Risks and Issues
<ul style="list-style-type: none"> SI/SD & Towers ITT development 	<ul style="list-style-type: none"> Finalise communications toolkit to be issued by 18/04. Finalise process flows and tracking tools with Finance. Draft noting paper for Sourcing Council regarding downselect decisions for IT Products and IT Solutions Delivery. Towers OJEU and PQQ to be presented to Delivery Board for approval on 19/04. Towers sourcing plan to be presented to Sourcing Council on 17/04. Baseline “as-is landscape plan” for Transition Planning. Hold sessions with IT&C Lead team to share IT&C Transformation plan. 			<ul style="list-style-type: none"> Accommodation for the IT&C Transformation programme team poses a risk to the effective functioning of the team. As the team grows, the office space is becoming a major issue. Potentially high volume of bidders for ITT will pose a significant drain on BAU and programme resource during the evaluation process. This is being managed by sharing the BAU requirements up-front with the BAU functions. The Transition Planning project is developing our options for Horizon. We need to understand our options and implications before we release the Towers OJEU at the end of April to ensure we manage the risk of going out to market without fully understanding the scope of services that we wish to procure. Concern raised about the level of technical and process detail in order to respond to SI/SD OJEU and PQQ.

Programme Milestone 4 week outlook (as at 13/04/2012)



Upcoming Milestones	Project	Planned Date	Forecast Date	RAG	Comments
ITT for IT Products published	IT Frameworks Procurement	22/03/2012	12/04/2012	C	Completed.
ITT for IT Solutions Delivery published	IT Frameworks Procurement	23/03/2012	18/04/2012	G	Planned date moved due to additional business engagement review incorporated within re-baselined plan
Engagement strategy agreed for incumbent IT suppliers	Incumbent Supplier	30/03/2012	30/04/2012	G	Resource recruited, plan in place to recover timeframes.
IT Consultancy ITT Responses Received	IT Frameworks Procurement	30/03/2012	10/04/2012	C	Completed.
OJEU and PQQ issued for SI/SD	IT Supplier Procurement	13/04/2012	13/04/2012	C	OJEU released on 13/04. PQQ to follow on 16/04
Post Office Sourcing Council sign off for Towers	IT Supplier Procurement	17/04/2012	17/04/2012	G	On track
IT Solutions Delivery ITT Responses Received	IT Frameworks Procurement	23/04/2012	24/05/2012	G	Planned date moved due to delay to the issue of ITT
IT Products ITT Responses Received	IT Frameworks Procurement	25/04/2012	21/05/2012	G	Planned date moved due to delay to the issue of ITT
Organisation Design structures tested and validated.	IT&C Operating Model	29/04/2012	11/05/2012	G	Date moved due to replanning.
Organisation Design structures signed off at Programme Board.	IT&C Operating Model	30/04/2012	15/06/2012	G	Date moved due to replanning.
Towers OJEU and PQQ issued.	IT Supplier Procurement	30/04/2012	30/04/2012	G	On track
IT Consultancy supplier downselect from 10 to 6-8.	IT Frameworks Procurement	04/05/2012	16/05/2012	G	Plan re-baselined to accommodate lengthier approval process and inclusion of additional security & DPA requirements.
Brand Identity developed	IT&C Operating Model	13/05/2012	13/05/2012	G	On track

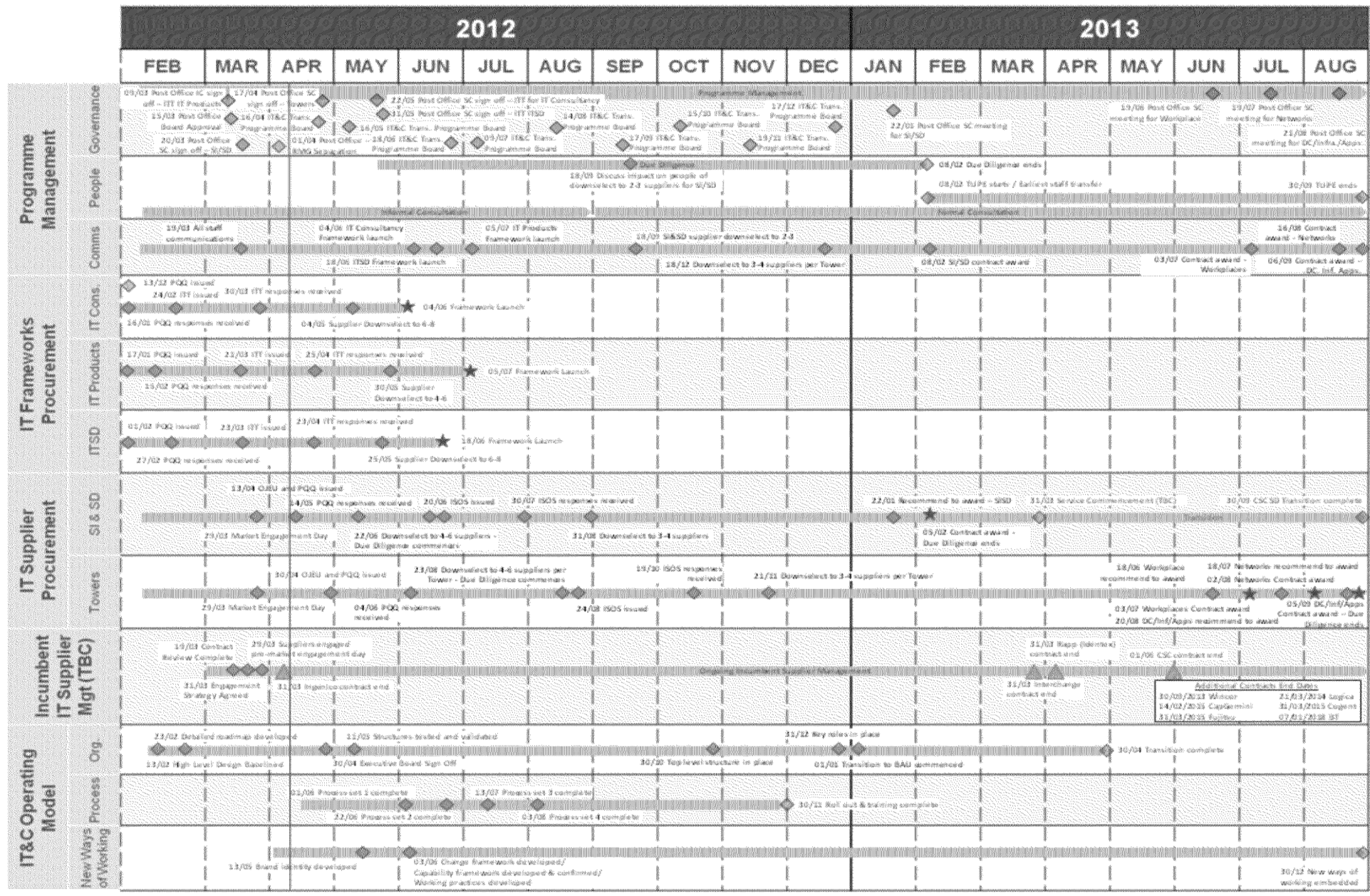
Programme Milestone Summary Roadmap view (as at 10/04/2012)



IT&C Transformation Executive Plan (19 months) | 10/04/2012 | v1.0

IN STRICTEST CONFIDENCE

◆ Completed Milestone
 ▲ Contract expiry
 ★ Contract award
 ◇ Governance Forum
 ◆ Milestone
 Reporting Date (10/04/2012)





Top Programme Risks (as at 13/04/2012)

Programme Impact	Date Raised	RAG*	Risk Description	Mitigation
Programme wide	30/03/2012	20	Accommodation for the IT&C Transformation programme team poses a risk to the effective functioning of the team. As the team grows, lack of office space is becoming a major issue	Ali Haskell has been contacted regarding the office space for the IT&C Transformation programme team and the desk requirements have been provided to her.
Programme wide	30/03/2012	16	There is currently lack of clarity on the ownership of financial reporting for the programme	Iain Patterson to work with Nick Sambridge in order to determine and confirm financial accountability
Programme wide	30/03/2012	16	Our new supply chain should effectively allow for transitioning of services to our clients into our operating model without impacting service.	The Transition Planning project has been put in place and Stephane Laffly is leading it. This will be focussed on creating a transition strategy for the business.
Programme wide	23/03/2012	15	There is a risk that incumbent suppliers will be reluctant to exit or transition relevant data.	Workshops undertaken to establish detailed analysis of supplier profile against towers, and to establish an understanding of the current landscape of contractual obligations.

*The RAG status is on a scale of 0-25 (where 0 = low and 25 = critical impact).
Impact and likelihood of the risk are factored in when calculating the RAG status



Top Programme Issues (as at 13/04/2012)

Programme Impact	Date Raised	RAG*	Issue Description	Mitigation
Programme wide	03/04/2012	5	BAU resources are not fully in place to support the procurements and the migration plan for BAU resources to the IT&C Transformation programme has not been completed	BAU resource requirements have been identified and the migration plan needs to be drawn up
Programme wide	12/04/2012	5	The Fujitsu landscape needs to be managed. The lack of understanding and the low level of engagement from the supplier side are causing issues to the successful management of the procurement process for the IT&C Transformation programme	Relevant discussions to take place at Programme Board level to onboard an ME and start engaging more with the supplier. Discussion to start w/c 18/04
Programme wide	12/04/2012	5	Legal have yet to provide a full assessment of all supplier contract conditions	The need for this issue to be dealt with has been identified and resolution is in progress – contracts review is in progress and due to complete by end April

*The RAG status is on a scale of 0-5 (where 0 = low and 5 = critical impact)



FY12 Programme Financials Initial Overview (as at 31/03/2012)

Below is an initial comparison of the signed off budget against the actual spend as of 31/03/2012. Initial comparison is presented to demonstrate the challenges faced whilst calculating actual spend, the final figures are presented on the next slide.

Cost Category	Total Approved Budget (until Oct 2015)	Total Approved Budget – FY13	Total Approved Budget – FY12	Actual Spend – FY12	Variance – FY12 (Actual - Approved)
Consultancy	£3,841,000	£2,200,000	£870,000	£1,271,230	£401,230
Consultancy Sunk	£473,696	£0	£473,696	£0	-£473,696
Skills Group	£1,891,565	£878,000	£346,550	£313,050	-£33,500
Skills Group Sunk	£202,968	£0	£202,968	£0	-£202,968
Contractor	£1,826,000	£1,127,000	£47,000	£0	-£47,000
Legal	£2,487,300	£1,162,000	£278,500	£105,550	-£172,950
Legal Sunk	£39,860	£0	£39,860	£0	-£39,860
Redundancy	£802,000	£0	£0	£0	£0
Alignment	£1,681,000	£680,000	£0	£0	£0
Training	£699,000	£233,000	£0	£0	£0
Other (inc MED costs)	£347,000	£69,000	£0	£10,160	£10,160
Total	£14,291,389	£6,349,000	£2,258,574	£1,699,990	-£558,584

Please note:

- Above figures extracted from FY12 (31/03/2012) Finance Report (SAP).
- Further investigation was carried out which brought to light that sunk costs were not accounted for in the above report.
- Working with Nick Sambridge to establish accurate project and programme financial reporting.



FY12 Programme Financials Final Overview (as at 31/03/2012)

Below is the final comparison of the signed off budget against the actual spend as of 31/03/2012.

Cost Category	Total Approved Budget (until Oct 2015)	Total Approved Budget – FY13	Total Approved Budget – FY12	Actual Spend – FY12	Variance – FY12 (Actual - Approved)
Consultancy	£3,841,000	£2,200,000	£870,000	£1,106,800	£236,800^^
Consultancy Sunk	£473,696	£0	£473,696	£464,430	–£9,266
Skills Group^	£1,891,565	£878,000	£346,550	£313,050	–£33,500
Skills Group Sunk	£202,968	£0	£202,968	£202,968	£0
Contractor	£1,826,000	£1,127,000	£47,000	£0	–£47,000
Legal	£2,487,300	£1,162,000	£278,500	£138,990	–£139,510
Legal Sunk	£39,860	£0	£39,860	£39,860	£0
Redundancy	£802,000	£0	£0	£0	£0
Alignment	£1,681,000	£680,000	£0	£0	£0
Training	£699,000	£233,000	£0	£0	£0
Other (inc MED costs)	£347,000	£69,000	£0	£10,160	£10,160^^^
Total	£14,291,389	£6,349,000	£2,258,574	£2,276,258	£17,684

Please note:

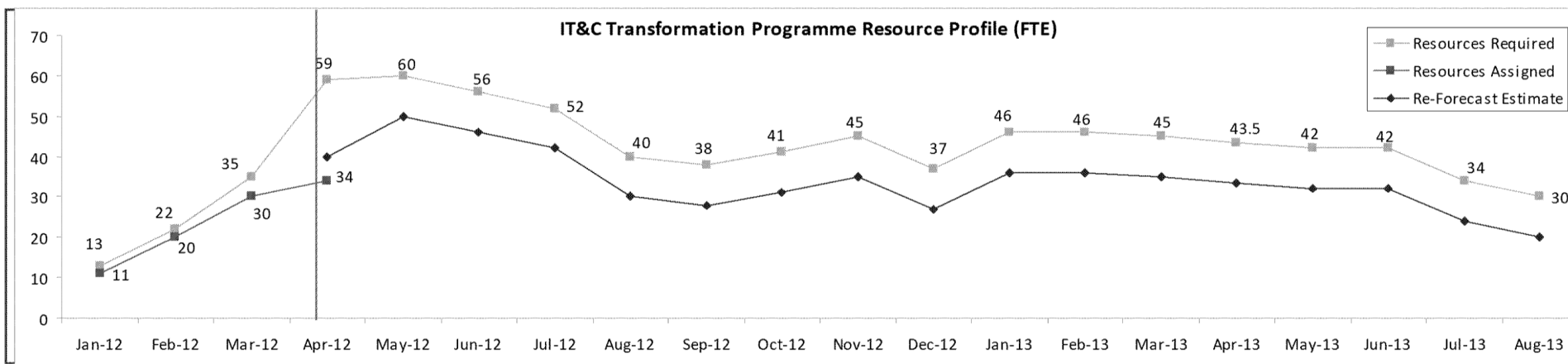
- The figures presented above are inclusive of committed spend / accrual as obtained from the finance team and solicitors (Beechcroft).
- Project and programme level budget tracking will be done by the project managers and PMO on the programme going forward. This would then enable us to provide a view of the actual spend, committed spend / accrual and forecast breakdowns in future reports.
- Total approved Budget is divided into:
 - G-056 IT Frameworks Procurement (Sep 2011 – Jul 2012): £914,389
 - G-219 IT Transformation Programme (Jan 2012 – Oct 2015): £13,377,000
- ^Skills Group costs above also include contractor costs for IT Frameworks Procurement as there is no distinction between skills group and contractor costs in the signed off budget for IT Frameworks Procurement.
- ^^Consultancy spend mainly consists of spend on Deloitte Workpackage value £1.7m Feb 12 – Jun 12, inclusive of VAT.
- ^^Costs include those incurred for Market Engagement Day which was not included in the approved budget for FY12.

Programme Resourcing



Below provides a view of the resource requirements by month until Aug 2013

Project	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
Programme Management	3	7	12	21	20	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19
IT Frameworks Procurement	5	5	8	7	9	7	2	0	0	0	0	0	0	0	0	0	0	0	0	0
IT Supplier Procurement	2	7	10	18	14	14	15	13	13	16	16	12	21	21	20	20	19	19	11	7
IT&C Operating Model	3	3	5	8	12	9	9	4	2	2	6	2	2	2	2	0.5	0	0	0	0
Transition Planning	0	0	0	3	3	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0
Incumbent IT Supplier Management	0	0	0	2	2	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Total Resources Required	13	22	35	59	60	56	52	40	38	41	45	37	46	46	45	43.5	42	42	34	30
Total Resources Assigned	11	20	30	34																
Resource Re-Forecast (Estimate)				40	50	46	42	30	28	31	35	27	36	36	35	33.5	32	32	24	20



Please note:

- Overall we have continued to deliver against our plan although we have had to use some of the contingency within the plan.
- A resource reforecast exercise will be conducted w/c 16/04 to establish Post Office resource take-up and take into account transition activities.
- The reforecast will re-assess the BAU effort needed given the original requirements have not been achievable so far.
- The figures above include requirements for both dedicated programme resources and Post Office BAU resources supporting the programme.
- Programme Management resource requirements above include enabling workstreams which are: PMO, People & Change, Business Engagement, Communications, Design Authority, Quality Assurance & Standards, Security and Legal.
- There is a risk of delay to delivery due to resource shortages, this is currently being mitigated as follows:
 - Recruitment is underway through MS&S.
 - Additional Post Office BAU support is being leveraged in order to keep delivery on track.



Decisions for review and validation (4 week outlook)

The following deliverables have already been reviewed by the respective Boards as listed below:

Project	Deliverable	Review Board	Date of Review
IT Supplier Procurement	SISD OJEU and PQQ	Delivery Board	05/03/2012
IT Frameworks Procurement	IT Solutions Delivery PQQ downselected list of bidders	Sourcing Council	15/03/2012
IT Supplier Procurement	Towers Council Paper	Surgery (Now Delivery Board)	27/03/2012

The following deliverables are due to be reviewed by the respective Boards as listed below in the coming weeks:

Project	Deliverable	Review Board	Date of Review
IT Supplier Procurement	Towers Sourcing Plan	Sourcing Council	17/04/2012

