



Sparrow

Weekly Steering Group

3rd September 2013



Agenda

1. Specific Agenda items
 1. Review vision of PO future
2. Programme update:
 2. Work streams highlights
 3. Budget (no updates since last meeting)
 4. Risks (not updates since last meeting)
3. Next Meeting will be on Wednesday 11th September at 1pm.

Decisions for this meeting



Public Commitments - work stream updates

Work stream	Update	Status
<p>Initial Complaint Review and Mediation Scheme (Complete Cases)</p>	<ul style="list-style-type: none"> • Panel of advisors nearly complete. Shoosmiths still to be confirmed, dependant on whether they will meet demands on costs/approach. • Planning for the 5th Sept briefing/training day for independent advisors and mediators. The goal of this session is to give the Advisor Panel good back ground on the scheme, familiarisation of PO systems/processes and a case study to help them understand what is expected of them. • Agreed with SS to cap monthly costs. • 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 – this will be finalised by the next Steering group meeting. 	<p>Green</p>
<p>Adjudication of future cases</p>	<ul style="list-style-type: none"> • 5 potential candidates. A JD and briefing to be sent to Paul to review. • Once on board the Independent Chair will review the future process post March 14–this work stream will then be re-planned. • Initial meeting held to define how we manage contract breaches including precautionary suspension, termination and appeal process. The scope has broadened wider than hearing appeals outside of the line. This milestone will now be completed by 16th September. 	<p>Amber</p>
<p>Branch User forum</p>	<ul style="list-style-type: none"> • TOR Approved at previous Steering Board. 	<p>Green</p>



Other work stream updates

Work stream	Update	Status
Legal (criminal cases)	<ul style="list-style-type: none">• See slide 5-6. Completion of initial case reviews on hold until QC meeting.• The issues that we want Brian Altman QC to advice on were agreed, final sign off of review process; options re appointment of independent expert witness (paper to follow); advice on prosecutions going forward.• Current plan will be reviewed following QC steer.	Amber
Improvements & Culture change	<ul style="list-style-type: none">• Programme board scheduled for 4th Sept to review quick wins to take forward.	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 sign-off on Horizon communications will now be on 5th September.	Green



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 received from Scotland



Active cases

Currently there are no active cases



Mediation - Independent Advisors

Name (& Company)	Profession	Location
Bill CLEGHORN (Aver)	Chartered Accountant	Edinburgh
Emma PORTER (Aver)	Chartered Accountant	Edinburgh
Denise BARNETT (Protiviti)	Chartered Accountant	Berkshire
Grishma PATEL (Protiviti)	Chartered Accountant	London
Bally ARK	Chartered Accountant	Birmingham
Steve REDHEAD	Chartered Accountant	Manchester
Richard FORTH	Chartered Accountant	Leeds
Paul KEYTON	Chartered Accountant	Surrey
Robert HOLLAND (James Cowper)	Chartered Accountant	South & London
Jay YORK (James Cowper)	Chartered Accountant	South & London
Steve DARLINGTON (Howe)	Chartered Accountant	London
Stuart COWEN	Chartered Accountant	South West
Philip De NAHLIK	Chartered Accountant	London



Mediation - Independent Advisors

Name (& Company)	Profession	Location
Martin HOWE (Howe)	Solicitor	London
Kieran O'ROURKE (Howe)	Solicitor	London
John WALKER (Howe)	Solicitor	London
Dipti HIRANI (Howe)	Solicitor	London
Priti MARU-SINGH (Howe)	Solicitor	North West
TBC dependant on fees/approach to cases		
Shoosmiths	Lawyers	All



Appendices

- High level milestones
 - Public commitments – slide 10
 - Legal – slide 11
 - Improvement – slide 12
 - Communications – slide 13
 - Technology – slide 14
- Budget
 - Overview – slide 15
 - Actual to August 2013 – slide 16
 - Planned to Mar 2014 – slide 17
- Risk
 - Risk map and descriptions – slides 19 to 20



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	▲ 20/09 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 ▲										
Adjudication of future cases Angela VDB Susan Crichton			▲ 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 to adjudicate in disputed cases in the future ▲ 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 ▲ 05/10 First Branch User Forum Branch User Forum meets regularly (frequency agreed in TOR)							

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

Version 007 20130815



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							
				▲ Monthly Reporting to Programme Board								

Notes:
Tasks added 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



Improvements - High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
All Streams	<ul style="list-style-type: none"> △ 24/07 Agree Terms of Reference with Sponsor (Angela) 	<ul style="list-style-type: none"> △ 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 	<ul style="list-style-type: none"> △ 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 	<ul style="list-style-type: none"> ▲ 30/09 Complete "as-is" subpostmaster journey/experience with POL ▲ 30/09 Complete "as-is" Crown colleague r journey/experience with POL ▲ 30/09 Complete "as-is" multiple partner r journey/experience with POL 	<ul style="list-style-type: none"> ▲ 05/10 All "Quick Wins" Implemented ▲ 20/10 Complete "to-be" subpostmaster journey/experience with POL ▲ 20/10 Complete "to-be" Crown colleague r journey/experience with POL ▲ 20/10 Complete "to-be" multiple partner r journey/experience with POL 	<ul style="list-style-type: none"> ▲ 15/11 Funding for proposal approved ▲ 17/11 Commence implementation projects 	<ul style="list-style-type: none"> 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.									

Notes:
Tasks added 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



Communications - High level Plan

Work Stream	2013						2014			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Communications and MP engagement <div style="border: 1px solid black; padding: 5px; width: fit-content;"> Angela VDB Mark Davies Alwen Lyons Second Sight </div>	▲22/07 Agree Approach with JA	▲ JA, JFSA, POL and SS to communicate process to MPs and SPMRs ▲ Proactive launch Mediation process (press release)	▲ 01/09 Post Office start engagement with MPs – individually explaining mediation process ▲ 11/09 Alice P and JA meeting	▲ 01/10 Start taking MPs through their actual cases	▲ 31/10 Joint MP update meeting (follow on from JA meeting)					
	Reactive to Media	▲ As cases are mediated press and public affairs team to be updated (for proactive management)								Date TBC ▲ Engagement with MPs for 25 investigation cases complete

Notes:
Unclear if JA has communicated the process to MPs

Version 007 20130815



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

Notes:
Draft status.

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



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

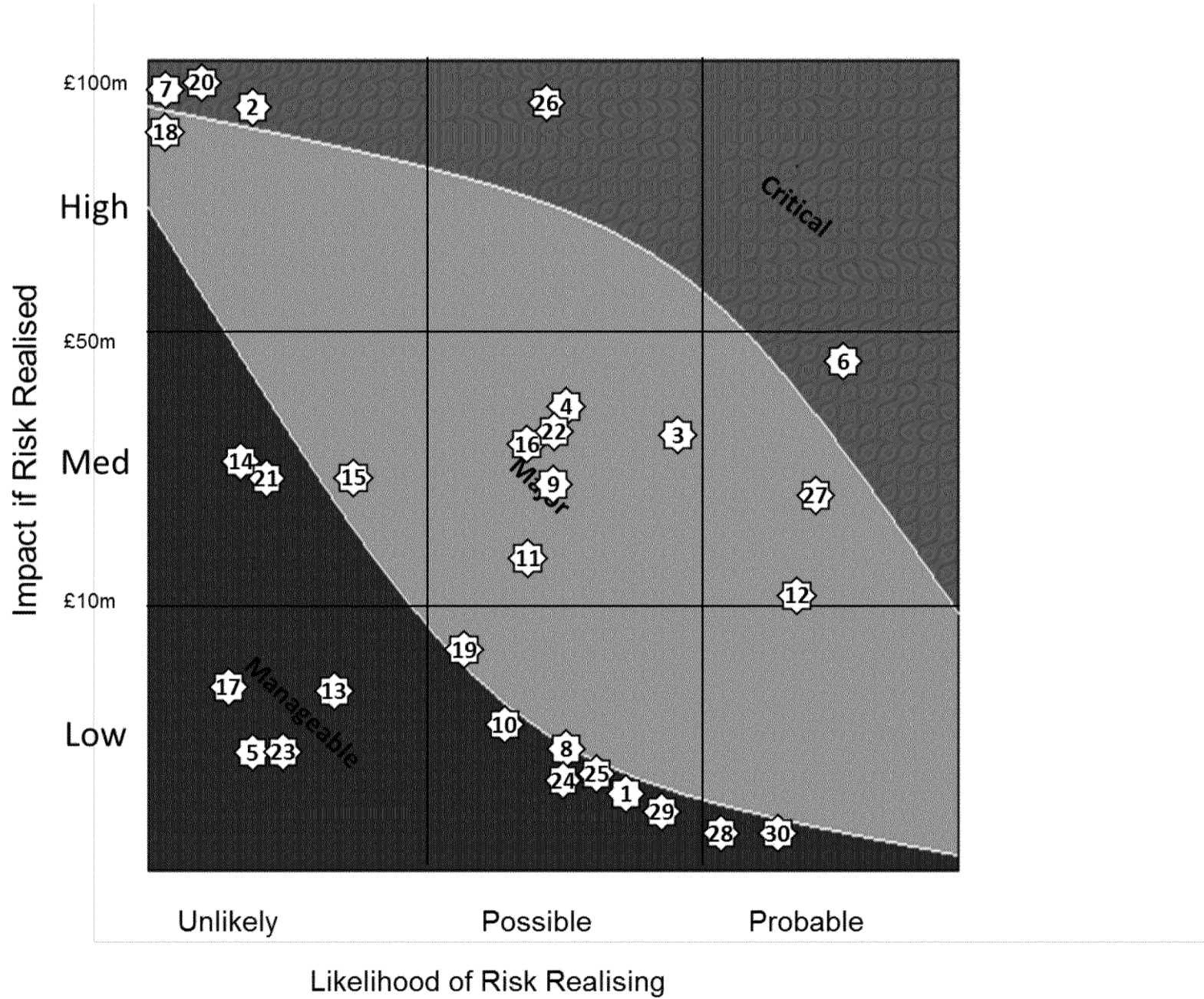


Budget – Forecast (Aug 2013 – March 2014)

Item	£k	£k total net VAT	inc VAT @ 20%	comment	Board Paper low	Board Paper high
Complete Cases (using Mediation)				Assumed number of cases:	75	
Second Sight	125			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		
Total: Complete Cases (using Mediation)		962	1154		350	550
					450	700
Legal and Governance						
General External Legal Advice - BD	120			Advice on: preparing and agreeing mediation process and packs of information for SPMRs. Engaging and briefing mediators, attending working group meetings (ie. 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 Linnell/ Alan Bates	14			£2k per month (up to)		
Independent Chair	25				0	10
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



Risk map





Risks

	Risk description
2	Risk that subsequent cases could question the validity and reliability of computer system/processes
6	Making decisions outside of policy
7	Risk that relationship with BIS is impacted, affecting future funding
20	Risk that potential franchisees lack confidence in system and are reluctant to engage in CTP
26	Risk of media 'bandwagon'

	Risk description
3	The mediation process is independent and may make decisions with which we are uncomfortable
4	Risk that resolution not achievable because stakeholder interests in conflict with POL objectives
9	Risk the relationship with Fujitsu is damaged
11	Risk of compensation claims or re-opening of old cases
12	Risk of dissatisfied stakeholders even at the end of process
15	Key person reliance
16	Risk of increased fraud/theft
18	Risk that engagement for NTP is lower
19	Risk that general engagement of employees is damaged and results in people leaving
22	Risk that ancillary systems & processes have related or similar issues as yet unquantified
27	Risk of increased bad debt/write-off

	Risk description
1	Risk that there are more cases in the pipeline
5	Risk that the integrity of the brand is damaged and clients/customer trust damaged
8	Risk that we are not co-ordinated in our response to subpostmasters etc
10	Loss of confidence with existing/future clients
13	Adverse impact to the relationship with NFSP
14	Risk that MPs may call for further action e.g. public inquiry
17	Risk that court can overturn previous cases
21	Risk that POL can't afford to complete this process (conflict with cost savings agenda)
23	Risk that customers question transaction made in branch
24	Lack of confidence in SPMRs that POL commitment to sort out issues
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.