

Restricted - Policy Management and Commercial  
BA/POCL SPECIAL PDA BOARD MEETING

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Thursday, 2 October 1997, King Edward Building, London

Present: Alec Wylie, Consultant, Chair  
George McCorkell, BA  
Peter Crahan, PDA  
Bruce McNiven, PDA  
Paul Rich, POCL  
John Bennett, ICL Pathway  
Peter Copping, PA Consulting  
Craig Lewis, PDA (secretary)

## 0. INTRODUCTIONS

0.1 Peter Copping of PA Consulting was welcomed to the special meeting of the Board. Mr Copping distributed numbered copies of the report of the Independent Review, as follows:

<u>Copy No.</u>	<u>Recipient</u>
1	Peter Crahan
2	Bruce McNiven
3	Peter Mathison
4	George McCorkell
5	John Bennett
6	Mike Coombs
7	Keith Todd
8	Peter Copping
9	Deborah Lees
10	Paul Rich
11	Stuart Sweetman
12	Alec Wylie.

## 1. PLANNING THE STRATEGIC RISK RESOLUTION PROCESS

### (a) Stages in the Process

1.1 Mr Copping presented a series of slides (attached) on the resolution process.

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### Slide: A Process Based on Four Workshops

1.2 It was agreed that Workshop 1 would include an examination of the four strategic risks identified and all the other issues and factors which operated as "root causes". The purpose of the meeting would be to develop a common understanding of all the risks and options.

1.3 It was agreed that PSC members would attend Workshops 1 and 2, the latter being incorporated into a scheduled PSC meeting. Workshops 3 and 4 would be attended by the PDA Board members.

Action Point: Peter Copping to amend the slide "A Process Based on Four Workshops" as per 1.2 and 1.3 and issue to PSC members.

### Slide: Suggested Process for Workshop 1

1.4 It was agreed that:

- the first bullet point should be deleted;
- the second bullet point should be "identification of basic business drivers;
- the third bullet point should be combined with the second;
- the fourth bullet point should comprise "root causes and strategic risks";
- the fifth bullet point should be deleted;
- the sixth bullet point should be deleted; and
- the final bullet point should include "identification of any barriers".

Action Point: Peter Copping to amend slide as per 1.4.

### (b) Inputs and Outputs

1.5 It was agreed that each participant would, in advance of the workshop, consider "business and local difficulties and comments on root causes". There

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would be no need to circulate papers on this in advance of the workshop.

**Action Point:** All to consider as per 1.5.

### Slide: Outputs from Workshop 1

1.6 It was agreed that the slide required re-working in order to reflect more closely the suggested process for Workshop 1

**Action Point:** Peter Copping to amend (this and the other) slide(s) as per 1.6 and issue by 10 October 1997. (A first re-draft should be issued in the interim for agreement.)

### (c) Overall Timetable

1.7 The timetable for the PSC was agreed, as follows:

- first workshop, two days (23/24 October 1997) at Hedsor House;
- second workshop, to consider outputs from the first (submissions to Ministers/Boards, for example) to be combined with PSC scheduled for 3 December 1997.

**Action Point:** Craig Lewis to ensure PSC members' diaries are cleared for an all-day meeting.

**Action Point:** All to complete and circulate any commissioned work by 20 November 1997.

**Action point:** John Bennett to book Hedsor House for 3 December 1997, as venue for PSC in place of Leeds.

### (d) Format for the First Workshop

#### Slide: Workshops: Rules, Roles and Environment

1.8 It was agreed that Mr Copping would facilitate the workshop, with support from Ms Lees who would provide "co-ordination, continuity and output recording". Dress at Hedsor House would be "smart-casual". Attendance would be as agreed by the PSC (13 participants, including PA Consulting personnel).

**Action Point:** Mr Copping to arrange as per 1.4.



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**Action Point:** Mr Bennett to provide details of travel routes, etc..

**(e) Co-ordination of End-To-End Process**

1.9 It was agreed that Ms Lees would be responsible for end-to-end co-ordination - see 1.8.

**(f) Date and Venue of First Workshop**

1.10 It was agreed that Workshop 1 would be at Hedsor House on 23 and 24 October 1997, as follows:

- arrive 23 October. Registration at 11.30. Buffet lunch, if required, between midday and 13.00hrs. Workshop starts at 13.00hrs; and
- lunch on 24 October at 12.30 hrs. final wash-up session between 13.30hrs and 14.30hrs. Facilities available for post-workshop meeting, if required.

**(g) Consultancy Man Days Required and Associated Arrangements**

1.11 It was agreed that Mr Copping would produce an estimate of the man days required and notify Mr Crahan.

**Action Point:** Peter Copping as per 1.11.

## 2. TACTICAL RECOMMENDATION IMPLEMENTATION PROCESS

**(a) Format of Action Plans Summary**

2.1 The template provided by Mr Wylie was agreed subject to the inclusion of a column for dependencies/cross references.

**Action Point:** All to circulate their action plan summaries by 10 October 1997 to allow time for dependencies and cross references to be checked.

**(b) Monitoring Arrangements and Check-Points Timetable**

2.2 As agreed above.



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### **(c) Co-ordination and Strategic Risks Resolution Process**

2.3 As agreed above.

### **3. SECURITY AND CIRCULATION OF DOCUMENTS**

3.1 It was agreed that:

- each PSC member would distribute copies of the report, as they thought necessary, each to be responsible for such copies;
- early drafts of the report to be destroyed;
- papers produced for/at workshops would be accorded the appropriate Cabinet Office security marking, ie. "Restricted - Policy / Management / Commercial";
- a general high level of security would be maintained by all parties at all times.

### **4. ANY OTHER BUSINESS**

4.1 Consultancy fees to be paid, as appropriate.

**PDA - 6 OCTOBER 1997**



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# BA/POCL - Strategic Risks Resolution

PDA Planning Session  
2nd October 1997

Peter Copping





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## Key Conclusions from the Review

- The programme will not be ready for commencement of national rollout before January 1999 and realistically, will probably not start until early spring
- Whilst we believe that a roll-out rate of 300 PO's per week could be achieved with really tight and effective implementation management, we believe a more realistic rate is 250 per week
- These delays mean programme costs are likely to increase by between £185mm and £250mm overall (ie. including Pathway)
- For these forecasts to be achieved, significant changes will be needed to the delivery capability of the programme
- Residual strategic risks remain which require more consideration



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# Outline of recommended next steps

## Evaluate Strategic Options

Assess the impact of slippage and additional activities on the business case



Review options available, including:

- continue with current scope and objectives and projected timetable
- reconstruct the Programme to revised objectives, scope or timetable
- terminate

and confirm whether acceptable in principle to Ministers and stakeholders.



Conduct intensive evaluation of options in the context of DSS and DTI Ministerial direction.



Provide robust business justification for preferred option with Government endorsement

Now

Validate dates and deliverables

End 1997

## Strengthen Programme

Agree joint approach, under PDA Board direction, to implementation and assurance of agreed improvement actions.



Initiate Programme improvement steps

Pathway to complete technical gap analysis



Pathway to deliver robust re-plan for Release 2



CAPS and Horizon to modify plans timetable on basis of revised Pathway dates





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## Outputs from workshop 1

- Agreement on strategic risks being addressed
- Agreement to process, timescales
- Commitment to 'last the course', agreement not to stop the programme meantime
- Identification of any possible restructuring options available
- Identify/Agree agenda for next workshop
- List of areas where expert or independent inputs may be needed
- Agreement to actions to provide inputs to Workshop 2



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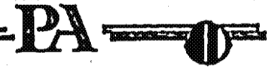
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# Suggested process for workshop 1

- Share views on end to end picture of the requirement;
- The original business drivers for each party;
- Sharing of local problems/issues/constraints;
- A perspective from each party on the strategic risks;
- What is currently regarded as "non-negotiable".
- Identify barriers to progress;
- Agree the strategic risks;
- Identify key components of each strategic risk;
- Identify key options for addressing/reducing strategic risks.



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# Workshops: Rules, Roles and Environment

## Rules

- Chatham House
- No interruptions or absences allowed
- Absolute confidentiality of proceedings

## Roles

- Facilitator
- Timekeeper
- Notetaker
- Participants (PSC Members)

## Environment

- Sharing
- Trusting
- Open
- Partnership
- Uninhibited
- No pressure to agree in early stages
- Honesty
- No negotiation



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## A process based on four workshops ?

**Workshop 1:** Reach common understanding of each area of risk and develop high level options for reducing risks

**Homework:** Sponsors and Pathway conduct impact analysis for each option

**Workshop 2:** Share findings and agree overall direction of initial submissions to Ministers/Boards

**Homework:** Progress submissions to seek reactions and guidance

**Workshop 3:** Share results and identify issues needing resolution by Ministers/Boards

**Homework:** Submit to Ministers/Boards for approval

**Workshop 4:** Agree action plans to implement approved measures (or further interactions) and agree monitoring arrangements



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## The strategic risk areas identified by the review.

- Cost of rollout to all Post Offices
- PFI
- Joint sponsorship
- Dependency on Escher

The first step is to ensure we agree that these are the right areas on which to focus our attention





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## Key objectives for this meeting

- Agree the overall process, key stages and timescale for the “evaluation of strategic options” workstream;
- Identify any timing constraints and interdependencies;
- Identify key inputs and outputs at least for first workshop;
- Identify areas where expert input might be required;
- Agree what sponsors and Pathway must do to prepare respective PSC members for the first workshop.