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To: John Scott/Sally Smith

Date: 09 Jan 2013

BRIEFING NOTE: CROWN LOSS PROGRAMME BRIEFING TO ROGER GALE

1.   BACKGROUND

Since 2008, the Crown Loss Programme has achieved a year-on-year loss reduction of 36%, with 2011/12 FY standing at £1.96m. During the period, the Crown network, FSC and Security strand worked together delivering the Programme which successfully targeted the use of resources and necessary change at high-risk Crowns and transactions. It is imperative that the momentum gained though the recent reduction of losses is continued; the excellent relationship built up with Crowns is key to achieving this.

Aim

The aim of the Crown Loss Programme is to further reduce Crown office losses by 20% of FY 2011/12 outturn. In financial terms that reduces from £1.196m to £957k.

Scope

In Scope:

- Loss & Gains Policy
- Crown Office network communications
- Crown audit programme
- Security Team tasking

Benefits

The Programme seeks to achieve the following benefits:

- Reduce losses by 20%, saving of 239k
- Reduce losses across the Crown network by 20%
- Reduce losses at the top 10 Crowns incurring debits by 30%
- Robust retail system providing awareness and accountability for losses

2.   PROGRAMME STRATEGY

The Crown Loss Programme strategy targets 3 key areas:

Awareness

- Ensure risks are clearly identified, monitored and reported to support business loss board by monthly performance figures
- Re-implement the Annual Declaration of Compliance
- Review and communicate the L&G Policy to BM along with requirement to drive down business losses

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Prevention

- Review root cause analysis of the main reason for actual losses
- Review the current Crown audit programme to prioritise intervention visits based upon risk
- Conduct Security Health Checks using a standardised 'Crown Toolkit' of worst performing Crowns utilising both Regional Support Advisors and Security Operations colleagues
- Where BM request assistance in dealing with L&G at their Branch, the necessary resources are informed and tasked

Enforcement

- Establish a regular Crown Loss and Gains Forum with key stakeholders in the business
- Ensure adequate supervision of the Escalation Process is conducted in order to provide robust yet fair implementation across the Crown Network
- Where fraud is suspected, Investigations are conducted in a timely manner

3. POLICY

The current policy is due for review and as such the Security Team have taken the opportunity to lead on a review. After consultation from key stakeholders within the Network, a new policy has been drafted which incorporated the roll-out of Monthly Balancing. Key changes:

- **Roles and Responsibilities**. Individual roles and responsibilities are detailed in the Policy
- **Annual Declaration of Compliance**. The new Policy seeks to reinstate the Annual Declaration of Compliance. This is not a time consuming requirement but allows the BM to ensure they are aware of security requirements and areas requiring attention.
- **Security Education**. All Branch colleagues must attend a security related Team Talk at least bi-annually. Where losses and gains cannot be attributed to individuals, the BM should ensure addition training support is provided.
- **Snap Checks**. All SUs should be subject to a managerial check every two months. BMs are encouraged to break the check down into manageable areas/lines rather than checking the full Cash/Stock at the same time.
- **Escalation Process**. Only colleagues who are attributed to either a loss or gain are placed on the escalation process. The escalation process is tied in with the Conduct Code and limits are set on where it must be implemented.
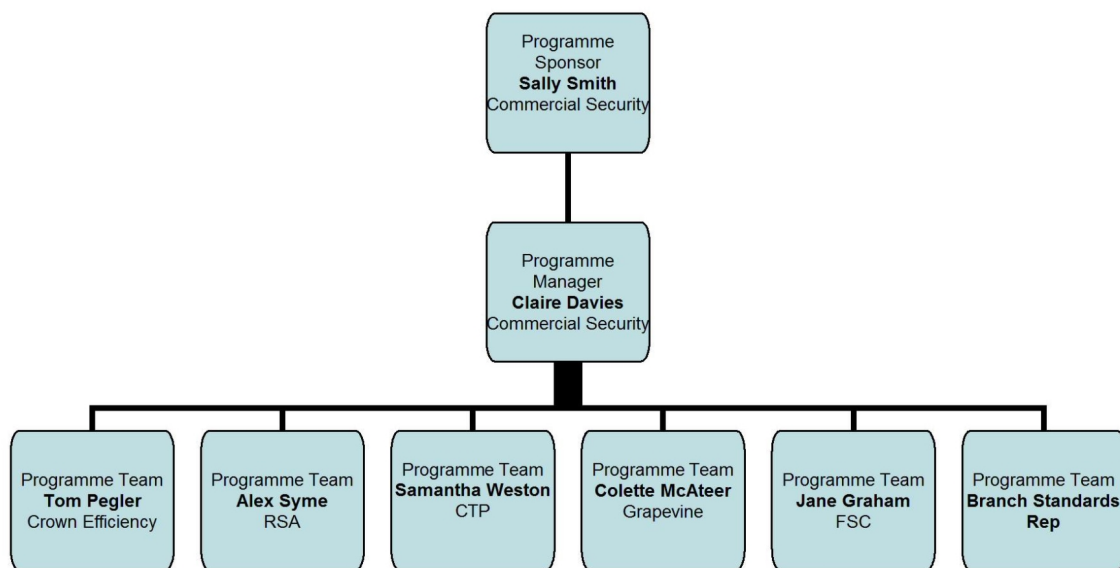
4.   LOSSES AND GAINS FORUM

Terms of Reference

The Forum will seek to regularly draw together key Stakeholders within the business and provide an opportunity to work together to address the three key area for the Crown Loss Programme; Awareness, Prevention and Enforcement. The Forum will sit every 2 months.

Key Stakeholders

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                    │ Programme           │
                    │ Sponsor             │
                    │ Sally Smith         │
                    │ Commercial Security │
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                    │ Programme           │
                    │ Manager             │
                    │ Claire Davies       │
                    │ Commercial Security │
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| Programme Team **Tom Pegler** Crown Efficiency | Programme Team **Alex Syme** RSA | Programme Team **Samantha Weston** CTP | Programme Team **Colette McAteer** Grapevine | Programme Team **Jane Graham** FSC | Programme Team **Branch Standards Rep** |

Roles and responsibilities

There are a number of individuals who will play an important role in ensuring the success of this Programme:

- Sally Smith   Provide strategic direction and governance of the Forum
- Claire Davies   Chair and overall Programme lead
- Tom Pegler   Governance sign-off on proposed activity
- Alex Syme   Crown RSA lead on management of losses
- Samantha Weston   Ensure any CTP process changes do not conflict with L&G Policy
- Colette McAteer   Grapevine Analysis support
- Jane Graham   TC Analysis support
- Branch Standards Rep   Audits