

Message

From: Neil Wilkinson **GRO**
Sent: 13/08/2013 06:38:16
To: Lesley J Sewell **GRO**
Subject: RE: Update after Tuesday's Board meeting
Attachments: image003.gif; image004.png; image005.png; image006.png

Yep!

Neil Wilkinson | Independence and Separation

2nd Floor Old Street Wing, 148 Old Street, London, EC1V 9HQ

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From: Lesley J Sewell
Sent: 11 August 2013 19:25
To: Neil Wilkinson
Subject: FW: Update after Tuesday's Board meeting

Neil

Have you picked up the first point to report back to the TB?

L

Lesley J Sewell
Chief Information Officer

148 Old Street, LONDON, EC1V 9HQ

Direct: **GRO**

Mobile: **GRO**

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From: Gina Gould **On Behalf Of** Lesley J Sewell
Sent: 23 July 2013 08:28
To: Lesley J Sewell
Subject: FW: Update after Tuesday's Board meeting

Passed to Neil Wilkinson for his attention.

Gina Gould I PA to Lesley Sewell Chief Information Officer

2nd Floor Old Street Wing, 148 Old Street, LONDON, EC1V 9HQ

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From: Chris M Day

Sent: 22 July 2013 19:59

To: Neil McCausland; 'Tim Franklin'; Alwen Lyons

Cc: 'Alice Perkins'; virginia.holmes@GRO; susannah.storey@GRO; 'Alasdair Marnoch'; Paula Vennells; Alwen Lyons; Susan Barton; Lesley J Sewell; Charles Colquhoun; Nicholas Kennett

Subject: RE: Update after Tuesday's Board meeting

Neil, Tim,

Thanks for the feedback, builds and challenges.

On the use of contingency point I agree that it's far from ideal to allocate a material proportion so soon after its creation, and to Tim's specific question yes, I will ask Procurement to look again at all major IT contracts and prioritise opportunities for renegotiation whilst ensuring there aren't any more nasty surprises lurking, and report back to the Transformation Board in short order.

Neil – take the point that we should seek to stretch the plan to accommodate this new cost without recourse to the contingency if at all possible. I continue to review the shape and balance of risks & opportunities to the forward P/L though the top line clearly remains very challenging; ExCo will be working through ways we can find to mitigate the soft first quarter on Mails whilst allocating the additional £5m of 'CFO revenue stretch' in the next week or so, together with agreeing actions to contain current year costs in order to hit the £102m FY PBIT. I'll revert on the progress of this (and the consequences for the longer term revenue growth and cost reduction trajectories) when that process and the resultant Q1 full year forecast is complete – likely to be at the beginning of August. Instinctively I would expect acceleration of the strategic cost reduction agenda rather than applying additional stretch to the top line to be the most likely route to rebuilding the contingency, however.

Best,

Chris

Chris Day I Chief Financial Officer

First Floor – Old Street Wing, 148 Old Street, LONDON, EC1V 9HQ

GRO



From: Neil McCausland [GRO]
Sent: 22 July 2013 14:55
To: 'Tim Franklin'; Alwen Lyons
Cc: 'Alice Perkins'; [virginia.holmes](#) [GRO] [susannah.storey](#) [GRO] 'Alasdair Marnoch'; Paula Vennells; Chris M Day; Alwen Lyons; Susan Barton; Lesley J Sewell; Charles Colquhoun; Nicholas Kennett
Subject: RE: Update after Tuesday's Board meeting

Hi all – Greetings from sunny France.
Please forgive me if you already covered this at the Board meeting.

I agree with Tim's comments above, and support the papers.
But I am unhappy about using our contingency up like this.
More bad things will happen – that's just the way life is!
So I would like to rebuild our contingency from somewhere else – either revenue or costs – over and above the plan, so we can retain a decent buffer to give us some headroom. If not I fear that our bottom line becomes more difficult to deliver, and that is not something that I would like to see.

Is that going to be possible Chris?
Cheers
Neil

From: Tim Franklin [GRO]
Sent: 22 July 2013 12:55
To: Alwen Lyons
Cc: Alice Perkins; Neil McCausland [GRO] [virginia.holmes](#) [GRO] [susannah.storey](#) [GRO] Alasdair Marnoch; Paula Vennells; Chris M Day; Alwen Lyons; Susan Barton; Lesley J Sewell; Charles Colquhoun; Nicholas Kennett
Subject: Re: Update after Tuesday's Board meeting

Chris,

Many thanks for the updated information relating to the IT Transitional Services Agreement. I am in agreement with the proposal as I don't see we have any choice. Horizon is a complex Fujitsu proprietary system and any move other than renewal would present unacceptable risk. I agree with Lesley's future review and the potential to mitigate our Fujitsu dependency in the future. I do feel like they have us over a barrel, and that they know it. I'm not clear how much we have tried to play hardball with them, but I would hope that these numbers represent our maximum financial exposure, and that we will seek to negotiate below this. If they want a future role in our IT estate, they should want to be less exploitative of us now.

The deviation from our original plan is a big chunk of our headroom used up. Have we looked at other large contracts to test that our assumptions are realistic and that there are no other surprises lurking? This might be a good thing for procurement to look at independently of the budget holders. The IT market is highly competitive at the moment and in my experience costs are coming down, not going up. We may be able to enter into negotiation to extend contracts mid term at lower costs. The vendor will see this extension as advantageous and might be prepared to trade lower annual costs for longer contractual certainty. IT procurement is highly specialised, and I'm assuming we have people negotiating who have the requisite scars!

Regards.

Tim

Tim Franklin

T: **GRO**
E: **GRO**

Sent from my iPad

On 19 Jul 2013, at 17:35, Alwen Lyons **GRO** wrote:

Dear All

On Tuesday the Board asked for information on three things this week:

- A paper on Transitional Support Services with Fujitsu which we agreed would be considered by corresponded
- The impact of the Financial Services Junction insurance changes, and the continued Transitional Support from Fujitsu, on the strategic plan and bottom line (including the P&L and cashflow changes)
- The impact on Horizon/Second Sight on our insurance cover.

The first two points are covered by the attached and the final one is explained by Chris below

Insurance

We discussed what impact the current Horizon issues might have on our insurance on which we are advised by our insurance broker, Miller. Their view is that whilst other insurance policies may be impacted the most likely one is D&O – this has the added complication as it is the only policy we share with RM and was placed by their broker, JLT. The excess on this policy varies under different criteria but the main one is £25k on each and every claim. A meeting is being set up with JLT and Miller to ensure they are fully briefed on the issues before JLT engage with the insurer.

Chris Day

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