
From: Neil McCausland [GRO]
Sent: Mon 22/07/2013 1:54:39 PM (UTC)
To: 'Tim Franklin' [GRO]; Alwen Lyons [GRO]
Cc: 'Alice Perkins' [GRO]; virginia.holmes [GRO]; susannah.storey [GRO]; 'Alasdair Marnoch' [GRO]; Paula Vennells [GRO]; Chris M Day [GRO]; Alwen Lyons [GRO]; Susan Barton [GRO]; Lesley J Sewell [GRO]; Charles Colquhoun [GRO]; Nicholas Kennett [GRO]
Subject: PRINTED RE: Update after Tuesday's Board meeting

Hi all – Greetings [IRRELEVANT]
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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