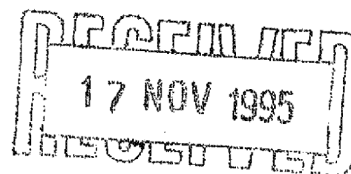


Bringing Technology to Post Offices

Development Update



Issue no. 1
Date: 13.11.95



MANAGING THE PARTNERSHIPS

This is the first issue of a new communication intended to keep you informed about automation development. It is being distributed especially for senior managers and team leaders throughout the business and the information should be circulated within your teams.

Explained in this edition is the interface between Post Office Counters Ltd and the programme, now widely known simply as BA/POCL, which will put technology in post offices nationwide and change the way benefits are paid. You may have noticed several communications about the automation activity in Courier and Talking Shop, that will continue. The overall aim of this publication is to give you the Post Office Counters perspective on our partnership with the Benefits Agency and the implications of introducing technology nationwide.

THE AUTOMATION PROGRAMME

Currently there is a team of people from Benefits Agency, Social Security Agency Northern Ireland and Post Office Counters Ltd who are working together from a base at Terminal House in Victoria to bring technology to post offices and benefits payments.

Objectives

The four joint objectives of the programme are:

- to deliver a fraud free method of paying benefits at post offices, that is automated, and has lower end to end costs than the current paper based process, with continuously reducing administrative costs year on year.
- to extend automation to Post Office Counters Ltd other client transactions, its products, its support processes, to improve competitiveness, increase efficiency and

enable greater commercial opportunities for Post Office Counters Ltd

- to effect a full and speedy reconciliation of benefit payments, with accounting arrangements consistent with recognised accountancy practices
- to provide an improved overall service to the customers of all parties

Current state of play

Following interest shown by many organisations from the information technology industry, three consortia remain in the competition to provide the systems infrastructure and services for Benefits Agency and Post Office Counters Ltd. The consortia are - Pathway (which includes ICL, De La Rue and Girobank), Cardlink UK Ltd (led by Andersen Consulting and Unisys) and IBM. The programme team is led by Andrew Stott. Other key Counters representatives are Dave Miller and Bob King. Now in place for over a year preparing the groundwork, this programme team will see the introduction of technology through to implementation over the next three years.

Timescale

There is a lot of work to do but the current forecast remains on schedule. Once the requirements that suppliers are being asked to meet are clear, it is the programme team's intention to issue a formal invitation to tender around the end of the year. Following evaluation of the supplier proposals on a value for money basis, a contract will be agreed with the winning supplier in spring 1996. On this timetable we are on track to begin implementation of the new system in the second half of 1996 with roll out taking three years to complete.

POST OFFICE COUNTERS INTERFACE

Managing the interface between our business and the joint programme is a vital task and a special team working to Paul Rich is being formed to bring this about. Its key tasks are: