THE HORIZON PROGRAMME - TOP LEVEL BRIEFING

The purpose of this paper is to provide a top level briefing on the Horizon programme, the service which will bring automation to the Post Office network and transform Benefit Payments from a paper based to a card based service.

The programme will:

1. Bring automation to all 38,000 counter positions of the 19,300 Post Offices currently in the network, thereby delivering universal service throughout the entire country and creating the secure, back-bone infrastructure needed to support the government's Better Government, Social Banking and Information Society initiatives.

2. Provide magnetic strip cards to 19 million benefit customers in order that they may collect their payments. These cards will replace all current paper transactions, be they order book vouchers or Girocheques. In this way encashment fraud will be slashed, saving the UK Treasury over £150million per annum. In addition, these cards can be upgraded to full smart capability thereby putting in place the personal infrastructure required to support the government's Better Government, Social Banking and Information Society initiatives.

3. Train 73,000 Post Office staff to use the system, representing the largest ever single investment in training for Post Offices and, along with other training initiatives, transforming the face to face service which Post Offices can provide to their customers.

4. Put in place the largest and most secure commercial network in the UK, handling in excess of 1.5billion transactions and £110billion annually, and capable of supporting many other government and commercial initiatives. In this way, other national initiatives which might not otherwise be viable due to the cost of putting in place the back-bone infrastructure, can be rolled out at minimum cost, and at much decreased timescales.

5. Put in place a highly flexible service, easily adaptable for new products and processes (e.g. ISAs, stakeholder pensions, social banking), without the risks associated with creating a new architecture, or the costs of creating supporting products and processes from scratch. Accordingly the development timescales and risks for putting in place new products and processes are much less than would normally be associated with introducing large national initiatives.

6. Enable smart card usage in all Post Offices from day 1. All 40,000 counter positions will be equipped with smart card read/writers, which represents the largest smart card terminal estate in the country. In this way Horizon will put in place the infrastructure to make smart card products a commercially viable option for many new government and industry initiatives which previously would have had to fund the large costs of purchasing and installing a smaller smart card terminal estate, or accept a reduced, non-smart specification for their initiative.

7. Provide extensive help desk services for use by both customers and postal clerks. These help desks are linked in directly to the Horizon system, thereby allowing full help desk, call centre, and customer management services to be easily and inexpensively integrated into all other initiatives which take advantage of the Horizon infrastructure. In this way, projects can be expanded to support the customer more fully, while avoiding the prohibitive costs associated with setting up the communications and database infrastructure which would normally be required to provide these additional services to the customer.

8. Will facilitate cheaper and better delivery of services to Post Office clients, such as Royal Mail, Alliance & Leicester, DVLA, National Savings, BBC and the major utilities. These cheaper services will mean that government's operating costs for its major customer facing agencies can be reduced while the utilities will be in a position to pass on such savings to their customers. In addition, the improved quality of the services should reduce enquiries at the client end thereby creating further savings while increasing customer satisfaction.

9. Opens the way for placing the Post Office, the traditional heart of the community, at the centre of the UK's move into the Electronic Age. In utilising this well known, trusted, national asset and brand, the government and industry can avoid the expense and risk of trying to create a new brand to support there important transformational initiatives to take the UK into the new millennium.

10. Put in place the infrastructure to support wider points of access to services (e.g. ATMs, kiosks, libraries, town halls) without incurring the risk and cost of creating new architectures and brands, or using unproven technology. In this way the government's vision of New Government, Social Banking and the Information Society can be de-risked and made attractive to industry and citizens alike.