

Ref...

To:  
MR MCCARTNEY

ci: Secretary of State  
Sir Michael Scholar  
Mr Macdonald  
Mr Baker CGBPS  
Mrs Britton  
Mr Hosker FRM  
Dr Hopkins CII  
Mr Osborne Legal C  
Mr Seabrook COM  
Mr Whitehead CGBPS 1  
Mrs Wright CGBPS1  
Ms Anderson CGBPS1  
Mr Corry SpAdv  
Ms Moore SpAdv

From:  
DAVID SIBBICK  
DIRECTOR POSTS

**GRO**

151 Buckingham Palace Road

**GRO**

27 July 1999

## **HORIZON WORKING GROUP: 4TH MEETING: 27 JULY 1999**

### **Issue**

A brief update before your Horizon Working Group meeting at 6.00 pm this evening

### **Detail**

#### **Horizon negotiations**

I have spoken this morning both to POCL and to ICL. Both confirm that all remaining difficulties between them have now been resolved, and that the agreement is ready for signature. All that now stands in the way of POCL signing the agreement is the decision by the Post Office Board not to do so until the back-to-back agreement with BA has been satisfactorily concluded. I understand that you were due to speak to Alistair Darling last night to try to reach agreement with him on a compromise solution, particularly in respect of the payment levels for OBCS. I have not so far heard what, if anything, transpired.

#### **PIU Interdepartmental study**

As of yesterday evening, the Prime Minister had not approved the proposed new programme of studies by the PIU. However, we understand that the study of the longer term future of the counters network is the number one item on the PIU's list, and they have also indicated that, if selected, it would be the first study to be started in September, with a view to completion by about the turn of the year to allow time for

the access criteria, which the new Regulator will have a duty to monitor, to be formulated. I see no reason why you should not be open with the members of the Group on the understanding that they do not make the information more widely available for the time being.

#### Future work programme

On the assumption that the agreements with ICL and BA are settled within the next day or two, there seems no reason for the Group to meet again until after the summer holidays. I suggest that we establish a date when most are back, and use that session to major on a discussion with BA on their plans for the migration to ACT from 2003, to press them on whether they envisage any changes between now and then, on their latest estimate of the size of the unbankable rump (assuming no compulsion), and how they intend to deal with it. Later sessions might include one with POUNC, and perhaps one with the PO/BT pension fund which, as the representative of a very large number of pensioners, has said that it would be interested in talking to the Group about the longer-term future of the network.

DAVID SIBBICK