

ICL Pathway

Pathway Programme Monthly Report

Ref: PA/REP/026
Version: 1.0
Date: 18/06/98

Document Title: Pathway Monthly Report - May 1998

Associated Documents:

	Reference	Vers	Date	Title	Source
[1]	PM/PRO/0002	1.0	26/09/96	Pathway Programme - Project Planning, Reporting and Control	

Approval Authorities:

Name	Position	Signature	Date
J. H. Bennett	Managing Director		

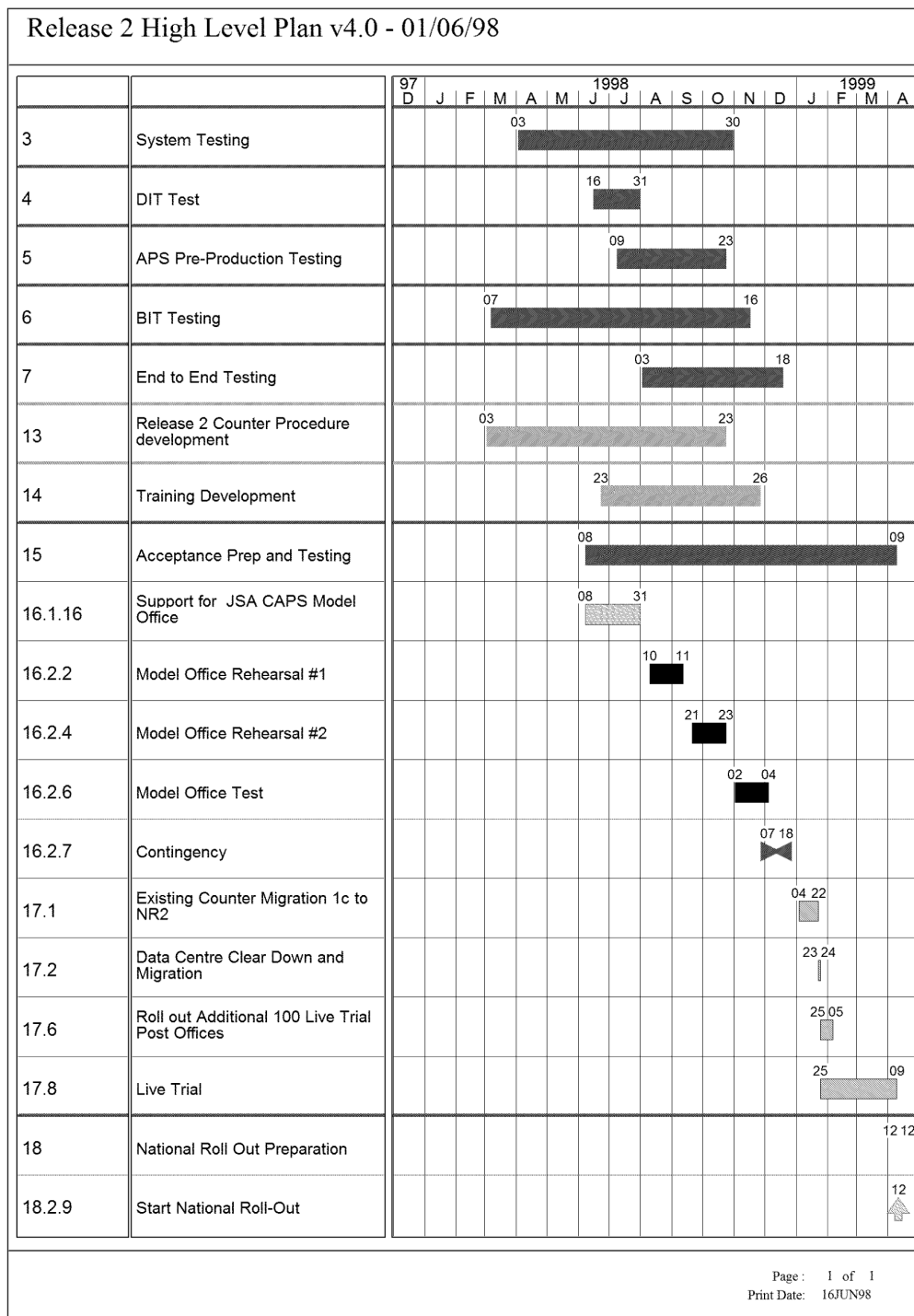
Managing Directors Summary

MANAGING DIRECTORS SUMMARY

- The high level plan to achieve live trial in end January 1999 and National Roll-out in April 1999 is attached. The status of this plan is that it has been agreed with the Horizon Programme managed by Post Office Counters Ltd and is being worked to by all parties. This includes BA who are following the plan at a working level but have reserved their right not to formally approve such a plan. There are therefore risks that BA may want to introduce more activities into the programme with an obvious impact on schedules. In addition we do know that Post Office Counters Ltd would like to extend the Live Trial period from the currently contracted 11 weeks by a further three or four weeks to cover work they now consider essential. This latter point would need to be covered by change control but would nevertheless would have a schedule impact.
- The key elements of this plan concern the manner in which we now tackle the model office activities. We have started supporting the Benefits Agency model office work from 8th June and intend to run our own model office tasks from the 3rd August on an extended period, such that we can in addition intercept the second stage of model office work from BA which will cover the third benefit type they would wish to introduce into national roll-out.
- For ICL Pathway the stress points in this plan are the satisfactory completion of the EPOSS system testing which has been a difficult area with its tight interfaces to the POCL reference data system. In addition we are scheduled to enter the direct interface testing of our systems with POCL's starting on the 16th June and currently we have a small number of critical software fixes to complete.
- On the implementation front, we have now formally agreed with POCL the process of writing to the Regional General Managers in POCL such that they can begin the 39 week preparation process for the first Post Offices to be a part of national roll-out. This will involve letters and then follow up survey actions with approximately 100 offices in the first week, nearly 200 the second week and then reaching the 300 a week level subsequently. This process allows us to fully prepare Post Offices well before equipment installation and formal go-live begins.

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- On the Acceptance front, this work has taken a lot of effort over the last few months with the production of the Acceptance Test Specifications to be signed off the customer. The first tests themselves will begin in August and will continue up to and, in some cases, beyond the beginning of national roll-out next year. We anticipate this work to be very difficult.
 - Work with the POCL Horizon Programme team is progressing well with their being increasingly close contacts, shared work and linked processes beginning to be formed. However, the skills and resources within the Horizon team are still fairly light and until this is strengthened, this will be a subject of criticism from Benefits Agency and of risk to the programme.
 - Meetings with our colleagues in Fujitsu in the form of a skills workshop has paved the way for involvement from senior systems engineers from Tokyo to work on selected but sensitive areas in our programme to help us make more rapid progress. This work will commence in June and complete within two months.
 - We have more work to do to finally resolve the contents of Release NR2+ which requires input and sign-off by the two sponsors in order to create a solid baseline.

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Date: 18/06/98**PROGRESS****HIGH LEVEL NEW RELEASE 2 PLAN**

HM TREASURY REVIEW

- Most of the analysis work for the Expert Panel aspect of this review has now been completed and we have input work on a wider range of topics including our vision of how this infrastructure can be exploited for the greater value of UK Government at large. We have also spent time articulating how increased banking facilities can be added to the basic products we are currently creating and given a view of how this could regenerate the business strength of the Post Office network and support their business strategy of gaining competence in financial services and government business.
- Much of the technical input has been well received and we expect most of the feedback to concentrate more on how we interface end to end across the two sponsor domains and how we drive our programme plans through a joint project office with Horizon. These will indeed be valid comments.
- In terms of shaping a way forward which all parties can subscribe to, then the Expert Panel has been working very closely with the government officials and the information we have is that they are drawing up a short number of options to put to inter-ministerial group. More feedback on the nature of these options and their impact on ICL should be available within the next two weeks.
- It is likely that Post Office Counters Ltd will come under some criticism from HM Treasury for not putting sufficient resource and effort into the programme management activities and at a different level for not putting forward a more aggressive business strategy which can take best advantage of the sophisticated IT infra structure being constructed.
- Both of these are areas where ICL must work and help POCL and once these issues are clarified then we have more joint work to do.

MEETING WITH IAN MCCARTNEY - DTI MINISTER

- This meeting was requested by the minister following on from the time he spent with us, both looking at the demonstration of the systems we are building and our presentation of the importance of this programme. In particular, he wanted to hear directly from Keith Todd the commitment and actions we were taking to play our part in the delivery of this critical programme.

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- The meeting itself took place on Monday 8th June and met the above objectives. The Minister in particular wanted Keith Todd to stay close to him as any new issue arose which would have a major technical or management impact. He also indicated that he wanted a briefing from ICL on how we can bring banking facilities to the Post Office network and intends to provide time for a meeting on this in the late summer.
- It is clear that the minister is determined to deliver a modern service to the Post Office and sees the Horizon programme as being a powerful and essential tool to enable this to happen. The Minister clearly anticipates a difficult fight with his ministerial colleagues and before entering this wants to be quite clear that the Fujitsu/ICL backing is absolute and solid. This exactly what was said.

ISSUES

- Achieving the right commercial output from the HM Treasury review.
- Meeting internal programme milestones leading to the new plans for Model Office.
- Discussion and agreement with the sponsors for start/completion of Live Trial/National Roll-out.
- Managing the sponsors expectations of the programme, and developing more openness and trust.

Systems Report

MONTHLY SUMMARY

- A new delivery schedule for NR2 was presented to the joint sponsors and 'agreed in principle'. This plan absorbed the slippage caused by the EPOSS/Reference Data problems which occurred in February/March, introduced more schedule contingency, extended the length of the Model Office and held the start dates for Live Trial and National Roll-out. It also enabled the Benefits Agency to commence their Model Office testing of 'Job Seekers Allowance' on the original planned date.
- Further discussions are required to confirm and baseline the start date, scope and duration of the Live Trial and subsequent start date and pace of National Roll-out.
- The development team was fully occupied throughout May fixing software errors and resolving issues raised by the testing teams. The performance of the technical integration team whilst attempting to satisfy the numerous requests to build and update the various test and support rigs has been excellent. Their responsiveness and productivity is first-rate.
- The design team continues to wrestle with their workload. So far our attempts to reduce the demands on certain key staff have only been partially successful. However, new documents and updates to existing specifications to incorporate approved changes continue to be produced, albeit a little later than planned in some instances. The design work required for the next release is suffering as a consequence and is having a knock on impact on the development and testing activities.
- Morale in the testing teams remains buoyant although they have been hampered by a few software bugs which have slowed or stopped some of the testing streams. This has resulted in many people having to work long, unsociable hours to catch up the lost time.
- Fortunately, release 1c is proving to be very stable and is not causing any difficulties with 4th line support.

PROGRESS

- Several design documents have been updated with comments received from the sponsors e.g. Style Guide, Menu Hierarchy, EPOSS functional specification, BPS & APS reconciliation. Work is proceeding on release 2+ although not at the pace required. Actions have been taken to put more effort into Soft EVP, Online Enquires, APS Smart and the Key Management Service.
- The development teams have been focusing on clearing software errors and implementing approved changes. Several incremental releases were made during the month.

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- The system testing phase for OBCS and APS has been completed and BPS has been sufficiently well proven to ensure that we can support the BA Model Office activity for Job Seekers Allowance planned to commence 8th June 1998. BPS cycle two is slightly ahead of schedule and is currently experiencing a 89% success rate. The 2nd EPOSS system testing cycle has been delayed by a number of category A & B software errors but if these can be resolved quickly we may be able to avoid using the planned contingency. All other system test streams e.g. MIS, TPS etc. are either ahead or on schedule.
- The Business Integration Test stream is going very well. The first cycle started on schedule (9th May) and completed OK on the planned date 1st June. The 10 day planned contingency was not required and the second cycle is due to commence 16th June, as is the second and final interface test (i.e. DIT#2).
- Progress on the technical, performance, security and systems management aspects of the system has shown steady improvement during May but there is still room for improvement.
- A new joint approach for the completion of the Process and Procedure Documents (PPD's) and the production of the User Guides has been agreed between Pathway and POCL. This is designed to ensure that the deliverables for the Model Office are produced in the most efficient manner.

CURRENT CRITICAL PROBLEM

- We have still not been able to find an acceptable resolution to the use of the FAD code in the Pathway solution. Neither POCL or ICL Pathway can afford the substantial costs or the time involved bringing the process in line with the other. Recent discussions with senior managers within POCL suggest that there may be an acceptable compromise. This is still to be documented and formally agreed.
- The size of the Riposte message store has become a source for concern. It is causing difficulties for the test rig builders and testers during recovery activities. There are also performance issues related to applications which scan the message store. Escher are working on compression algorithms which will help if we can intercept this version without undermining all the testing carried out to date. We are also redesigning the storage of reference data at the counter to avoid unnecessary replication of messages.
- The 'training mode' facility which operates at the counter is not performing adequately. The customer has an expectation that the user will be able to toggle in and out of training mode as the need arises. However, we have never been able to achieve this and have set a target of 2/3 minutes to enter the function and a few seconds to exit. Recent performance tests have shown that we are some way off these timings and we may need to rethink the approach.

ISSUES

- A version of the Roll-out database has been delivered to support the survey and prep stages of outlet implementation. There are concerns that the updated version (2.5) of the system required to support the actual installation activities will not be ready on time. This is being monitored very carefully.
- The performance of the system and our ability to test certain areas is becoming an issue. Some believe that the hardware and time available is insufficient to confirm the behaviour of the system when fully loaded. There is also a concern that the sponsors will require 'proof' of compliant performance before giving 'Acceptance' rather than proof of scalability.
- POCL have accepted that they must introduce much tighter control of change to their reference data and subject the 'live' version to rigorous testing. Consequently, a new joint testing activity has been entered on the plans, running in parallel with the formal Model Office Test.
- The additional work to ensure that we comply with the end to end financial reconciliation requirement has been identified. Elements of the system are being amended and scheduled into planned baselines in testing.
- The counter migration tools designed to assist the conversion of manual and semi-automatic outlets during roll-out have encountered a product mapping problem. The existing outlets use approximately 300 from a total 1000 products while the new Horizon system intends to support 2800 products.
- The volume of system incidents (PinICL's) must be drastically reduced during the next few weeks. Actions have been taken to analyse and group the incidents so that they can be resolved in a systematic and timely manner. We are experiencing a design bottleneck with several PinICL's raised against the BES software. These must be investigated by pathway prior to be sent to Escher for resolution.
- A number of inconsistencies between the touch screen buttons and the keyboard have been uncovered. These must be rectified very quickly otherwise we will be faced with the onerous task of changing the keyboard buttons on several thousand keyboards in storage.

COSTS

- The budgets for the systems directorate continue to be refined and regularly reviewed but are now being used to monitor expenditure on a monthly basis.

Commercial & Financial Report

MONTHLY SUMMARY

- Whilst Treasury review activities are centre stage in terms of management attention and eventual significance, the outcome will be some time off. Meanwhile, the key thing for us to do generally is to carry on performing to the maximum on all fronts.
- A high priority for Commercial and Finance is knocking off CCNs, and in particular A2A CCNs: we are making reasonable progress now but there is a long way to go.
- A new Joint Programmes and Commercial Forum has been created with Horizon to deal with issues such as NR2 RCD caveats, casual agents, counter space, migration and training: a promising start has been made.
- The recent forecast reviews have continued to confirm upward pressure on resource demands and therefore costs for this year and next. We need to look again at scope to reduce costs in those implementation areas where there is still some time to go before the work really gets underway.
- The design and build cost profile of the business case has deteriorated further as a consequence of the cost increases, placing further demands on additional funding. Submissions are being prepared to secure these. The Treasury review will play in.

PROGRESS

- Treasury Review
- Creation of Joint Programmes and Commercial Forum
- Working relationships remain generally good despite the pressures
- CCNs and A2As getting better - but a lot still to do

EXTERNAL, WITH POCL AND BA

CNT

- We have put on record that delay to the signing off of inputs to NR2+ design (EVP, CAPS 4 DIDVR, Smart card specifications and LFS specification) is now causing day on day slippage.
- Further, given that the Authorities are causing NR2+ to slip, it is unreasonable for them to impose restrictions on the effective life of NR2 (the 4000 post office limit).
- The arbitration approach for counter space costs has been progressed to the point where it is not holding up work on the ground.

- Agreement of a new and up-to-date version of the contract has stalled and needs to be driven forward - the existing combination of originals plus CCNs is becoming unworkable.

JOINT PROGRAMMES AND COMMERCIAL FORUM

- Topics in the frame are: NR2 4000 limit, NR2+ functional baseline, Counter infrastructure, Casual agents, FAD codes, In-office migration, Turnover training, and Acceptance process - all serious live issues which have been around for some considerable time and now look like they are being grasped.
- A further meeting is scheduled for this Thursday - we shall see.
- We will table flat screens at that meeting as a mitigating option to the counter space problem - on condition that POCL accept that the incremental costs will be treated as 'y' costs (which are the costs in dispute, to be settled by arbitration).

FINANCE AND COMMERCIAL FORUMS

- No recent POCL F&C Forum - deferred by three weeks by POCL while they work on the Treasury Review
- BA F&C Forum continues to be effective, positive and professional in dealing with invoicing, CCN and other lower level matters.

CONTRACT BASELINING AND ACCEPTANCE

- CCN234 represents the baseline for Acceptance scripts, and has been with the Authorities for agreement for the past two months - no response yet received. At time of writing, POCL are outstanding with their comments and are the gating factor. However, we still have to complete our proposals on Requirements changes.
- There is serious risk of rework (scripts) until CCN234 is signed off.
- This risk extends to all contract controlled documents, A2As and CCNs outstanding. As of now, there is still too much scope for mismatches and therefore apparent faults which are not real.
- The form of the Acceptance process is exercising Sponsors - but they have yet to produce their proposals. This is likely to be difficult to agree. The vetting of scripts by the Authorities has again been slow.
- In summary, Acceptance is a major issue.

EXTERNAL, WITH SUPPLIERS

- We have settled over costs with WTL.
- The 'failure to agree' with Oracle over man rates is as yet unresolved.
- Internal charging within ICL is confused pending the bedding in of new trading terms and rates.

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- More supplier tensions are probable over the summer. Cumulative delays are testing their patience and they are increasingly looking for near term cash returns.

INTERNAL TO ICL PATHWAY

- Progress on A2A CCNs has accelerated.
- Reconciliation continues to be a favourite topic.
- The Forecast has just about stabilised, with recent reviews more or less in line with previous. Rather than cost, the issue is inability to recruit and hence to consume the work. Actuals are running below judged down Forecast.
- The new intercompany charge rates are now factored into the Forecast for Q3 and Q4 only, as instructed. Th cost reductions are not significant in overall terms but are welcome.

CURRENT CRITICAL PROBLEMS

- Continuing lack of final definition for NR2 and high level of change
- Baselining NR2 for Acceptance - CCN234 and A2A CCNs
- The Acceptance process.

ISSUES

- Outcomes of HMT review - programme impact and commercial terms - the time it will take to finalise the details once the principles have been agreed - uncertainty in the meantime.
- Roll Out Timescales - NR2 versus NR2+, the caveats, BA's latest position on end-to-end testing, Acceptance delay, etc. - how to plan

COSTS

- The Controller's report follows.

Customer Requirements Report

MONTHLY SUMMARY

- Acceptance was the principal activity and has made excellent progress.
- There are now 21 of the 23 Acceptance Specifications produced and in the review cycle - all with next actions with the customers. Of the two remaining that for EPOSS will be published 12/6 and the complete Audit specification is forecast for 3/7.
- The customers have not been well-organised in this area and the two managers brought in to organise this activity for them are producing a "scoping study" due on 12/6 on which we hope to build. Signing things is not something that our customers are used to.

PROGRESS

DETAILED PLAN ACTIVITIES

RELEASE NEW 2 / 2+

- Thus far there have been no PinICLs referred to us for deferral beyond NR2.
- Dave C has provided a requested alternative method of receipts for APS during contingency working which relies on current clerical processes.
- We will produce a functional specification of the Memo View Broadcast facility which will be implemented at NR2+ for Pathway CS.
- Employment Services have yet to send their new logo for inclusion on the PUN and have probably now missed the date for including in Model Office.
- We have received final proof copies of the NR2 BES receipts and ATPs. These will be live-tested for layout before we commit to print production.
- A productive review with CAPS and Horizon was held, focusing on the DIDVR for NR2+/CAPS4 and related system implementation issues.
- By contrast, the position on BA reference data usage remains unsatisfactory. Several CPs cannot be progressed at reasonable cost / timescale impact and a significant problem has emerged of preserving Pathway applied recent updates during new BA reference data downloads which overwrites all existing data.

CARS

- A complete updating of the CARs position was undertaken. We have taken a tougher line on:

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Reference Data, where there are crucial deliveries due this month affecting Live Trial

The forecasts of business volumes, where the customers are avoiding making any commitments

Post office training, where outstanding issues have become pacing items for Live Trial

A2AS

- Dave C has produced APS Service Overview. This meets an A2A for APS technical / overview documentation which Design group had otherwise to meet by providing various technical documents. This document is also needed for Acceptance.
- Customer Requirements has no actions.

CCNS

- Neither CCN 117 nor 234 has been approved.
- Dave H has now reviewed all Requirements / Solutions where the current Requirement baseline version (within CCN234) contains the term "Card". There are 67 Requirement / Solution pairs, predominantly in DSS and Joint schedules; of these 41 strictly require amendment of either the Requirement or the Solution. The preferred (Pathway) resolution is to redefine Card in A01 and introduce Temporary Token into those Requirements for which it is truly relevant and not already included.
- Some progress is apparent on DSS/Horizon acceptance of the Temporary Agent as a payee class with its own specific encashment rules.
- There has been no formal response to CRP76 proposals (uncarded casual agents): informal feedback is that POCL will withdraw. Both CR P36a (removal of clerk id from impound and nil receipts) and CR P21a (inclusion of Temporary Agents in MIS encashment reports) have progressed through Pathway CP this month and will shortly require CCNs.

ACCEPTANCE

- During the month we have turned around all the comments on Acceptance Specifications. Many of these were oppositionist in nature - but all our responses were unflaggingly polite and constructive.
- The next step on 13 of the 23 specifications is a formal review, if required, of our responses, leading to production of the level of ATS for signatures. We have said no to requests to produce another revision for re-review but in one case, OBCS, will take another tranche of comments.

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- Three specifications have already reached the stage of producing the signature level which marks the crucial stage of fixing the goal posts in the ground. These are APS, Implementation - Services and Customer Education.
- There are four specifications, TIP, Reference Data, Schedule C3 and Reconciliation, where customers have yet to comment. The first three of these are all overdue. We expect to output the EPOSS specification 12/6 following sterling work by T&I to get the Test Plans in place. The Audit specification will be last, as is the nature of the subject matter. A meeting with the customer audit panel has established a detailed schedule for achieving acceptance in this area.
- We are approaching the point in time when we need to explain the timetable and format for individual trials.
- The ATS standard has been redone and an ATS based upon it produced as a trial.
- T&I are working on the Criteria database so that a complete set of Criteria can be provided to customers for completeness checking thus taking away another excuse for delay.

NEW BUSINESS SUPPORT

- LFS: The BRD has been signed by Pathway and issued and we are waiting for POCL's signature. Work has started on the contract schedules. The service levels schedules have been issued and reviewed. More schedules are due (POCL responsibilities, Acceptance etc.), and a clause by clause review session is booked for 16th June.

OTHER TEAM ACTIVITIES

- We welcome two joiners: Dave Jones, responsible for Security Acceptance, and John Coakes responsible for Performance Acceptance. Both are located in Bracknell. They will handle the Bracknell related Trials activities between them.
- Dave H made further presentations to FJ.
- Dave H also helped the international sales team develop generic banking, discussing options for linkage between Riposte/generic banking and the Financial Services LBF (ex Omnia Bank Framework) product.
- John D contributed to further Treasury papers.

CURRENT CRITICAL PROBLEMS

- None

ISSUES

- A decision is needed to determine if the “Proofs of Concept” which Pathway will need to perform during the NR2 Acceptance period for NR2+ features will form part of the Acceptance programme conducted by Requirements, or be less formal as development level demonstrations.

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Customer Service Report

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- Service performance in May was excellent and no new problems were reported.
- The number of payments received in May appeared to fall, however, this apparent fall was due to two bank holidays falling on peak encashment days. There were 60,185 transactions with a cumulative value of more than £1.8million.
- Service performance in May was good and we continue beat the BA target of 0.1% for transaction reconciliation errors - lost transactions are currently the main cause of exception. Again we achieved the target of 100% of reconciliation errors cleared within 5 days.

RELEASE 1C VITAL STATISTICS

- Installed base : 204 Post Offices, 334 counters
- | | |
|--|-----------|
| Number of Cards issued | 32,719 |
| Number of Active Cards in use | 27,692 |
| Total number of BES Transactions to date | 601,252 |
| BES Transactions in May | 60,185 |
| Total value of Benefit Payments received to date | £9.2m |
| Value of Benefit Payments received in May | £2.0m |
| | |
| Total value of Benefit Encashments made to date | £8.5m |
| Value of Benefit Encashments in May | £1.8m |
| | |
| Total number of OBCS Transactions to date | 4,100,685 |
| | |
| Number of books impounded | 13,235 |
| Potential fraud avoided to date | > £1.5m |

PROGRESS

OPERATIONS

- Release 1C continues to perform well. An issue this month pertaining to mistakes in operator actions following the “sleepy agent problem” were cause for concern. However Outsourcing have put measures in place to ensure we have no repetitions.
- Reference data is making reasonable progress with the production of our first Service Introduction Plan defining resources we require in terms of manning and equipment. Current issues are managing the live process until we are fully manned, understanding the operational impacts of the volumetrics with regard to number of changes and finally with the number of staff we seem to need to recruit.
- There are indications that there is an increase in fixes coming through Release Management. This is being investigated. The priority task of the Operational Test Team is to look at ways of speeding up the Release Management process and to reducing the test backlog.

BUSINESS SUPPORT

- The BSU have experienced a good month with regard to clearance of exceptions within the required time scales defined within the SLA. Work in progress has fallen from 26 at the end of April to 9 by the end of May, with incident receipts still maintained at historical R1c levels.
- The fix to rectify the problems caused by the “Suspended Session” option was implemented on 17/5/98. Current indications are that this fix has been successful.

BA & POCL SERVICES

- Following the completion of the service trial of the Pathway defined process for RML/POCL card package Hand over, RML have now indicated their reluctance to implement the service. Their logic for taking this stance seems flawed and an urgent meeting with their Sales Director (Lee Gannon) is being arranged.
- There is better progress on DLR's card packing machine. We are pressing for Bowe/DLR to get the first machine to Tewkesbury in October for testing.
- Detailed plans to expose HSH staff to life in a Post Office, through a number of visits to such Post Offices, have been agreed with POCL.
- DLR have initiated production of 80 books of 2-colour only Temporary Tokens for system test and Model Office purposes. The schedule for production of full livery TTs is 1 million to be ready for 1st October.

CUSTOMER SATISFACTION

- Customer Service provided representatives at the NFSP Annual Conference in Bournemouth. It was vitally important that the Pathway presence was maintained because most delegates, though remaining very positive about the idea of the Horizon solution, needed reassurance about the programme.
- The Management Care Visit Programme details have been agreed with the POCL and initial visits will begin in June.
- An analysis and commentary relating to service visit reply cards is available. The percentage of satisfied responses was 93%.

OPERATIONAL BUSINESS CHANGE

- Agreement has been reached with POCL on an appropriate way forward for contractually formalising the management of infrastructure and product change. There will be a matrix defining the services that Pathway will offer (backed up by service descriptions).
- An initial cut at the infrastructure change matrix has been provided to POCL.

SYSTEM SUPPORT

- An interim solution for the Known Error Log has being populated.
- SMC/HSB now have access to the Knowledge site in BRA01 - which contains KELS (now > 500), and other useful diagnostic information.
- The NR2 rig cannot be completed until 26 June at the earliest because of delays in Energis delivery of ISDN connections, and CFM delivery of the Tivoli Management server. The NR rig will be used for both reference and testing at MOR/MOT/E2E and Performance benchmarking.

INFRASTRUCTURE SERVICES (MIS / PROCESS ENGINEERING / PERFORMANCE / IT)

- The relationship with the DSS process team has remained solid throughout May and a new relationship with Kit Cox (PA consultant working for POCL Service Management) has been established. We now have a way forward for NR2 which brings together Pathway process definition, DSS process definition and POCL service management.
- Concerns that during the month the Data Warehouse was down at least 6 times with the first 2 involving the restoring of over 7 days of data. A report from CFM suggests that some of the problems were caused by release note applications and we are awaiting a further detailed update.

- The IT Infrastructure upgrade pilot completed successfully within Customer Service. User data is now held on a secure, backed-up and resilient system. The rollout to the rest of Pathway has now commenced.

CURRENT CRITICAL PROBLEMS

- None

ISSUES

- Recruitment remains a problem with important roles across Customer Service still vacant - Pippa O'Brien is now taking the lead with our HR sub-contractors to improve the recruitment processes.

Quality & Risk Report

MONTHLY SUMMARY

- FRM progress. Issues have arisen around the number of times EVP can be applied during a session (BA and POCL dispute) and the accuracy of address data which will impact PUN delivery and EVP performance.
- Risk Management. The Programmes Risk Register for May has been completed; major risks are the impact of the continuing high level of CPs and low rate of PinICL clearance and the impact on Release 2+. Impact on Year 2000 compliance is being evaluated. The NRO risk work is identifying the ability of POCL to manage their activities as an overall risk.
- System Security. A paper has been produced for the Treasury Review to tackle the issue of lack of understanding of the security requirement raised by BA. The first presentation and discussions directly with POCL security management has taken place - very successful, identifying opportunities for Pathway to provide fraud information (potentially chargeable) and include fraud control as part of POCL client product development. Progress has been made in NR2 testing and processes and definition of NR2+ content.
- Audit. The MSQAs have been consolidated into a Process Improvement Programme. The Audit Panel (with BA and POCL) has begun to plan acceptance activities. The major issue is availability of resource to complete the programme within schedule. Gaps between the Audit HLD and ATFS have been identified; the delivery of Audit functionality for R2 is still a major concern.
- Year 2000 Conformance. The changes to Dynix and NT imply that a large proportion of product suppliers will make corrections as field exposure finds Year 2000 faults. These changes need to be decoupled from major releases.
- Cross Government Fraud. Work continues on the response to the Green Paper. A team has been set up (chaired by MHB) to consider the 'technical' approach, using the Accord/Pathway components as a starting point.

PROGRESS

FRAUD RISK MANAGEMENT

RELEASE 1C

- Production of Fixed Reports. Girobank have provided Pathway FRM with a first pass analysis of the FRM fixed reports.

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- Lost/Stolen Cards Report. Further corrections have been identified and applied.
- Investigation Support. Two investigations were undertaken with actions being placed with the DSS Fraud and Security group.
- Out of Hours Report. Errors in the Out of Hours reports were discovered. Analysis has revealed that 30% of the transactions would not have appeared if the correct reference data had been used, and FIT were informed.

NEW RELEASE 2

- Release 2 Procedures. The FRM Overview procedure was revised to include new procedures; the Information Interchange Procedure, FCMS System Administration Procedure, FCMS System Work Instruction and the FRM Security Procedure.
- Develop Extended Verification Process. A letter has been received from Horizon indicating that the CCN is acceptable but with a few concerns, largely relating to the number of times within a counter visit (a session) that EVP can be applied; a conflict between the requirements of POCL and BA.
- The accuracy of address formats. The address that is passed to Pathway will be that supplied by the customer and currently held on the benefit specific system. Hopewiser is being used within PDCS to convert addresses for new customers into Royal Mail standard. Considerable risks are associated with the accuracy of existing customer addresses and impact on the delivery of PUNs and performance of EVP.
- FCMS support. Progress is being made to test the system and fix.

RISK MANAGEMENT

- Programme Risks. A full risk report for May has been completed and reviewed by the management team. The major risks for Release 2 are now the continuing level of CPs and slow clearance of PinICLs. The majority of CPs are now relating to design revisions and therefore under our control. There is a high probability that Release 2 replanned dates will be achieved with significant impact on Release 2+. The implications of this on Year 2000 compliance is being considered.
- PCHL Authentication. The review process with Horizon has been started, but the major blocker is the unstable reconciliation design.
- NRO beat rate risk analysis. Further progress has been made in populating the database and defining the process. There are concerns emerging about the ability of POCL to understand the nature of 'mitigation'. We are not altogether clean ourselves!

SYSTEM SECURITY

- Pathway IT Security Standards. The first draft is complete and has been distributed to the Horizon FSG for review.
- The second version the Frame Relay Risk Analysis was presented to support the Frame Relay CCN.
- A paper, Pathway Security Objectives and Principles, was produced for the Treasury Review.
- A full Pathway and security presentation and system demonstration was given to POCL Head of Security & Investigation and his team for the first time. A very productive session, greatly increasing their knowledge level. We have agreed to follow up by considering how a service could be established to provide Fraud management information (possible additional income!) and how fraud control could be presented to clients in support of the development of new business.

NEW RELEASE 2

- A process has been established with TSC Secure Test, CFM (DS), FSG, Development and Testing for third party security testing.
- The Access Control Matrix for PAS/CMS at NR2 has been completed. A CP was raised for Oracle to produce equivalent matrices for other developments.
- Security Event Management within the Pathway / VME partition has been discussed and agreed.

NEW RELEASE 2+

- The requirements for accommodating Landis & Gyr testing in KID01 have been produced.
- The implications of VPN for the Pathway Firewall Design was reviewed and agreed.

QUALITY

- Sub-Contractors Reviews. Analysis of sub contractor repair feedback highlighted monitor issues. A CP is in circulation seeking acceptance of unit swap out to assess the reliability of the most recent version of the product.
- Acceptance. The T&I Revised Strategy for R2 and Principles of Acceptance Trials have been reviewed, from which it became clear that the basis of Technical Test 1 had been substantially modified. Actions are in hand to produce a new internal baseline for agreement with the Authorities, if raised as an issue by them.

PROCESS MANAGEMENT

- Development of Processes. Progress has been made in:

Implementation Process. Revised versions of the Document Composition and Document Management Framework reviewed as the requirements become better defined.

Asset Management Process. A number of issues are being addressed regarding the limitations of data capture.

AUDIT

- The audit of the Reconciliation Exception Database has begun.
- NR2 Process Improvement Programme (a programme introduced following R1c and the PA Review which included the MSQAs as the final element). The MSQA Reports have been consolidated and included in the NR2 PIP. The findings were presented to the Management Team. A draft Corrective Action Plan was distributed for comment and will be finalised during first week in June. This will then be handed to the Programme Office for monitoring.
- Develop Audit Function. The Audit Panel met 14th May. John Dicks presented the Pathway Acceptance position, which developed the customer understanding significantly. It also enabled us to plan activities. The major issues are the BA and POCL resource availability to complete acceptance activity to schedule. All effort is now directed toward NR2; the NR2 Audit Manual (which has been drafted) and supporting documents represents what is termed 'Operational Audit Procedure' by Acceptance.
- Develop Audit Plan. A process and proposed audit plan for 1998 has been circulated and presented to the Management Team for comment. This will contribute to the definition of the Standards and Procedures.
- Review Archive/Audit Design. A gap analysis between the HLD and the ATFS has been undertaken. The next stage is to agree with John Dicks how to present gaps.

YEAR 2000 CONFORMANCE

- Product Suppliers.
- Microsoft NT4 Service Pack 4. A contents list describing the US Beta Version has been acquired; it shows both functional changes and some 330 repairs of which 3 are Y2K related. This gives Pathway quite a task in assessing the impact and ensuring other suppliers line up.

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- Based on the Dynix and Windows NT changes, we anticipate that a large proportion of product suppliers will make corrections to their products as field exposure finds Year 2000 faults not detected in their internal testing. Pathway needs to find a way of de-coupling such changes from major releases.
- The High Level Test Plan for Year 2000 testing has been issued and reviewed. This is aimed at verification of the Pathway Service operating within the Pathway domain. A second HLTP covering External Interface Testing is planned.
- Test coverage - the spreadsheet showing Year 2000 test coverage has been compiled. There are several areas where there is no planned test coverage from a Y2K perspective.
- Y2K confidence tests of standard products continues, and has so far raised one PinICL.
- The test strategy describes a phase "maintain compliance" which is deliberately kept open in an attempt to de-couple NR2 release dates from CAPS, POCL and Pathway service provider compliance dates and to give room for late repairs from standard product suppliers.
- Development and Support Capability. Both Development and T&I are now addressing the Inventory Issue.
- DSS/CAPS. The rescheduling of the programme is causing T&I a problem in scheduling external interface testing with CAPS in particular, on a platform with the system date set forward. We may miss the August slot for this.

CROSS GOVERNMENT FRAUD

- An ICL workshop was attended. It concluded that the main inputs into this topic are from Pathway, Accord, Local Government and Experian. A team consisting of representatives from each has been set up (under my chairmanship) to develop the 'technical' approach. A 'black box' outline consisting of the Accord and Pathway components has been produced to set this discussion in motion. Richard Stokes and Ian Perkins are to produce an outline response to the Green Paper.

CURRENT CRITICAL PROBLEMS

- The major risks for Release 2 are now the continuing level of CPs and insufficiently fast clearance of PinICLs. There is a high probability that Release 2 replanned dates will be achieved with significant impact on Release 2+. The implications of this on Year 2000 compliance is being considered.

ISSUES

- Address formats. It appears that address formats are only being cleaned up into Royal Mail format (and only for new customers). This has potentially considerable impact on PUN and EVP performance.
- There is a dispute between BA and POCL about the number of times EVP may be asked in a customer session. This may delay sign off.
- Gaps have been identified between the Audit HLD and the ATFS. These need to be presented and agreed with the customer. Release 2 exclusions still need to be identified. This work is now considerably behind schedule.
- A large proportion of product suppliers will make corrections to their products as field exposure finds Year 2000 faults not detected in their internal testing. Pathway needs to find a way of de-coupling such changes from Major Releases.

Business Development Report

MONTHLY SUMMARY

- Major thrust last month to get requirements for AP Smart sorted and to finalise the BRD for Logistics Feeder Service. The good news is that the BRD is now agreed and we have a letter of intent which allows us to undertake design work. We have also agreed to a planning assumption for LFS to be in Release 2+ if the appropriate contract schedules are agreed by 19th June. I see this as unlikely but we will maintain pressure to achieve that date. Quantum and GEC Watercard will be in Release 2+.
- Joint work is continuing with POCL & Girobank on Family Budgeting. The objective is to produce a joint paper by end of June which will define the strategy, product offering and action plans to deliver a product. We are also now demonstrating our prototype which is getting very positive reactions.
- We took the opportunity of the Treasury expert panel visit to demonstrate 'real' Release 2 for the first time. Systems directorate undertook some excellent work to ensure the success of this demonstration and the panel went away impressed. They also suggested that Ross Newby, Secretary to the panel should ensure that he saw the demo on his return from leave.
- Two very good papers on future of post office counters business were submitted to the Expert panel. These have been forwarded to all the Directors of POCL. It remains a disappointment that they do not seem to submit such papers themselves. They have commented positively on our papers. Jonathan Evans, POCL Network Director has shared with me a presentation that he gave to the Government review panel in May. The McKinsey review report is expected end of June. The indications are that Financial Services will feature strongly followed up by Government services.
- The NFSP Annual Conference took place in Bournemouth. Pathway had a stand as usual which was mobbed at every opportunity. Importantly, the Frank Field speech went down very well and showed support for the Horizon programme. The Federation remain very supportive of all Pathway's efforts. I continue to be amazed that POCL did not avail themselves of the opportunity to have a high level presence there throughout Conference. Jonathan Evans addressed Conference on Monday but disappeared at lunchtime. We took every opportunity to talk to the Executive Council.
- Not much press activity this past month. Sunday Telegraph came through to Anna with a quite negative approach. However, following a long discussion, the article was squashed. We continue to be wary of POCL, they do not handle communications well. There are too many people involved and too much chance of different lines being taken. We have highlighted this.

- Advertising preparation is going to plan. Out of the three creatives, one now called 'steps', based on the Full Monty has come out on top, both from the sponsors and from market testing. This now goes to ministerial submission.
- Work continues on A2As and CCNs. This is just an on-going grind, but one that has to be done. Martin is now working closely with Hilary Forrest on CCN production.

PROGRESS

CUSTOMER EDUCATION

SIGS:

- CAPS are at last focussing on planning.

CUSTOMER EDUCATION PRESS ACTIVITIES:

- Agreement has now been achieved on the way that roll-out will work.

GENERAL PRESS COMMENT:

- Would have been a quiet month - positive interest provoked by the ICL-Microsoft alliance. One article in the Observer, one pending in Government Computing and Post Express; thankfully a good conversation with the Sunday Telegraph squashed a negative story. POCL have proved themselves as the weak link in the chain.

GOVERNMENT COMMUNICATION:

- Report reviewing approach and recommending a way forward is written and awaiting comment.

POCL COMMUNICATIONS:

- POCL seem now to gradually recognise that the regions have an important role to play in this programme and that we really should be talking to them. Presentations also planned for the Head of Communication and Internal Network group, and alongside the Implementation team when they present to NFSP branches.

ANALYSTS BRIEFINGS:

- Two sessions organised for IDC & Meta Group. Hopeful that will eventually involve Holway and Gartner.

BUSINESS DEVELOPMENT

- The Marketing Suite has been fully operational this month with 4 Client, 1 International and 3 External presentations, as well as a series of internal events(10). Business Development has entertained a variety of clients, including the HM Treasury Review Board, Mr.Sato from Fujitsu Business Development and the Mr. Akikusa, the President-elect of Fujitsu Group. In total 17 events took place this month.
- A new version of release 2, 7F, version 20 was also demonstrated for the first time to the treasury review board.

BILL PAYMENTS

- Work on moving AP Smart forward continues. The goal remains to see AP Smart in NR2+. POCL have informed us that they do not believe they can deliver the information that we need for Talexus (no commercial agreement with client), or Pisces (no client), and accordingly these products have been removed from NR2+ until a time when POCL can specify the end to end service, the clients, and the likely volumes. In preparation for this, a delta is being worked on for the cost of setting up a team from scratch to pick up where the last team left off to develop Talexus and Pisces at a later date. Progress is being made on Quantum and GEC Watercard, and although we do not yet have all the information we need, we believe that POCL are finally giving this the priority it requires, and that the information will be available in the next few weeks.
- It is hoped that we will have a demo of GEC Watercard within the next month.

ILN SHOWCASE

- The first draft of a new ICL Pathway video has been produced to support this event. The video has been well received by all audiences. Final touches will be made this month, in preparation for full release within Pathway. The showcase itself appears to be slipping into the background for a variety of reasons. We await further input from Glen Horgan on its fate.

BBC OUTSOURCE

- ICL Outsourcing has decided not to bid for this contract. On that basis we have contacted SSL (a subsidiary of the Post Office), the current contract holders, and offered them what ever support they need from ICL Pathway in order to ensure they retain the contract. Our aim is to protect the 13 million transactions per annum which currently take place in Post Offices.

GENERICCS

- Greg Couper is now working closely with ADT to scope and define the generics product, to turn this initial work into a deliverable stream of products definitions and designs.

CURRENT CRITICAL PROBLEMS

- None

International Sales Report

SUMMARY

PROGRESS

CURRENT CRITICAL PROBLEMS

ISSUE

**ICL Pathway Pathway Programme Monthly Report
Managing Directors Summary**Ref: PA/REP/026
Version: 1.0
Date: 18/06/98

Organisation and Personnel

MONTHLY SUMMARY

- This has been the most progressive month this year, enabled by a fully resourced team.

PROGRESS

- The pay review for permanent staff has been completed and resulting adjustments to salary will appear in the June payroll. Overall increase to the paybill was 4.3%, just slightly adverse to budgeted target of 4%. Given the extreme volatility in the IT employment market and Pathway's leaning towards employing high end performers, this is not unreasonable.
- The Employee Opinion Survey is now in circulation and there has been a strong early response. Through line management involvement we are aiming to achieve a near 100% return rate and this is particularly important since current data on staff satisfaction is rather piecemeal and anecdotal. Analysis will take place in June and appropriate actions and initiatives will be formulated on the basis of findings
- Work has begun to produce a framework of generic job descriptions, in conjunction with line managers and role holders, covering the whole of Pathway. These will form the foundation for a number of important initiatives, such as grading/professional communities, salary benchmarking, paybill management, resourcing and so on. The exercise will take a number of weeks.
- A half day workshop has been held with the Group Employment team to help in an assessment of the merits of introducing Professional Communities across the whole of Pathway. It is clear that we should not just jump in with this. For example, there is a payroll cost and this needs to be fully understood and impacted. Further benefit analysis is taking place and any widespread introduction of Professional Communities will be supported by a full implementation plan.
- Resourcing continues as a main focus and previous months comments about difficulties in getting the Group Resourcing model to best serve Pathway remain valid. Considerable effort continues to be applied to change this, but at the expense of heavy resource commitment from the Pathway Personnel team. Having stated this, the permanent recruitment data below demonstrates good achievement in May:

Permanent appointments in May	16
Currently under offer	6
Appointment YTD	36
Current requirements	36

- The benchmark lead time for recruiting a permanent employee is 3 months, which emphasises the need for line managers to plan resourcing requirements well ahead, wherever possible. Programme volatility does not always, of course, make this possible and this is a major challenge for everybody involved in resourcing. Methods of reducing this cycle time are being looked at, including roadshow style recruitment.
- YTD Efficiency (time to fulfil a need):

Appointments < 1 month	5
Appointments < 2 months	10
Appointments < 3 months	11
Appointments > 3 months	10

CURRENT CRITICAL PROBLEMS

- None

The Post Office - Client Director's

MONTHLY SUMMARY

- The major work this month has been the continuing activity in support of the HMT Review of the BA/POCL Project.

PROGRESS

TREASURY REVIEW

- Following the completion and submission of the ICL Pathway 10-page paper to the Treasury Panel on essentially Programme delivery issues, the Panel's focus of attention appeared to shift towards the strategic questions. We have taken advantage of the opportunity to input our Future Vision for the Pathway infrastructure, taking in both financial services and better government, entitled The Potential for Horizon and Pathway. A further paper entitled The Post Office TrustCard has been submitted outlining the shorter term systems capabilities in support of the Vision ie first steps in delivering the Vision, including the role for smartcards. This paper has been discussed with both DTI and the Panel.
- Feedback from the Panel on all our input is planned for June 11th, with the written report expected one week later - this itself will go to the cross-departmental working group before going to Ministers. This will run for some time yet.

DESKTOP

- The Contract has been signed by PO and by ICL Multi-Vendor Computing Division and deliveries are under way to PO IT Services, Royal Mail and POCL.

CALL CENTRES

- Industry rumour is that SSL are in contract negotiation with Aspect (a US market leader). Procurement say no decision has been made on supplier and ICL is still on the shortlist ie No Comment.
- SSL may have other problems as they are at risk of not being shortlisted for the BBC TV licensing contract renewal - this accounts for 90% of SSL's revenues.

OTHER ACTIVITIES

- Royal Mail are planning to extend their pilot Trusted Third Party Secure Transactions Service into a commercial offer. Scottish Power and Lloyds of London are rumoured to be about to sign up. They have also announced their intention to offer a Certification Authority service. These are being built for RM by Entrust (Consultancy arm of Nortel) and utilises the ICL i500 Directory. I have met Jim Pang RM Electronic Services Director and agreed that the potential role of the Pathway network, for access by public and by SMEs, including use of security/encryption smartcards, should be explored.
- The bid to PO IT Services for ad-hoc Technical Consultancy, run by ICL Government building on their success with SCAT among others, has been shortlisted with final presentations 10th June. John Bell is fronting. Although this is not large business (less than £1m pa, shared) its importance lies in the access it will give to the key technical IT managers across Post Office.