

Dave Miller



Treasury Review file

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Stuart J Sweetman BSc FCA
Managing Director

18 June 1998

Dear *Rede*

HORIZON & TREASURY REVIEW

I wanted to share with you our views on the outcome of the Treasury Panel on Horizon. As you can see from the attached letter from Paul Rich to Adrian Montague, we feel able to support in principle one of the options put forward by the Panel - that which envisages a migration from the benefit payment card to a smartcard/banking system over the right period of time.

There are, of course, important factors to be worked through in getting to this, but we believe if this option is taken forward then it can fulfil the visions DSS and POCL have set out for themselves respectively. ICL will need to prove itself in terms of delivery too, of course, and an equitable commercial arrangement needs to be put in place. We are convinced this is the best option for all parties.

In going forward, I'd like to assure you on three points. First that POCL will wholly commit itself to the proper delivery of the programme and will look to exert its authority across the programme to solve issues and drive it forward. Second, that we are very much looking to do this in a spirit of partnership - with yourselves, with Government, with ICL and with the other stakeholders that we will need to ensure play their part in turning this challenge into reality. We must, in my view, be able to plan this complex transition openly and together over a considerable period of time. Finally, we know too that we must step up to the commercial challenges facing us to develop the system, and we have now prepared ourselves strategically for that.

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These commitments will be backed by the PO Board. Towards that, John Roberts has met Keith Todd recently. As a result, John and I have planned to meet Keith with his team immediately after the Government decision on Horizon in order to ensure direction is set, strategy developed and issues resolved.

I would appreciate having your views too about the Panel's findings, and to hear your thoughts on how you plan to drive the programme forward under the proposed new arrangements.

Yours sincerely

GRO

STUART SWEETMAN

Copy: John Roberts
Paul Rich