

Restricted - Management



Horizon Programme
Board Meeting
16 June 1998

21/06

Horizon Programme Board Report

Progress and Cost Report for month ending May 1998

File

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Purpose:

- 1) The Board are asked to note the current status and confirm their support to the ongoing work.
- 2) The Board are asked to confirm that the Report meets their requirements.

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Horizon Programme

1 Progress Report for period ended 31 May 1998

1.1 Introduction

A Programme reporting structure has been agreed and a process is in place to capture and report month-end progress and issues. The Report will be issued to the Horizon Board prior to their meetings (currently scheduled to meet 16 June, 9 September and 26 November), and to the Horizon Delivery Group in those months that the Board do not meet.

This report summarises the state of the Horizon Programme as at May month end.

1.2 Programme Overview

The major focus of the Programme at the current time is:

- supporting the existing live systems.
- brokering and obtaining agreement to the preferred option for the Release 2 replan.
- monitoring the delivery of ICL Pathway's Release 2 and future releases.
- finalising and agreeing the Migration and Live Trial strategies.

1.3 Live Operations

The current Release continues to provide a Benefit Payment Service and Order Book Control System for Child Benefit Payments in 204 outlets (119 in the South West & South Wales Region and 85 in the North East Region). From an operational point of view, there are no major threats to business continuity.

During April, there were over 78,000 encashments (including foreign encashments) with a total value in excess of £2.2m.

Problems with lost transactions have not yet been resolved. ICL Pathway have recognised the need to address concerns and system fixes are being provided. These will concentrate on printer problems and time-out issues that account for 70% of the lost transactions. A reduction in lost transaction numbers should be seen in the forthcoming months. This issue is regarded as a priority 1 level, and the situation is being closely monitored.

The Horizon Service Management Team continues to produce a

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monthly Service Report which includes service performance reports and operational issues / threats. The last report (no. 5) was issued on 28 May.

- 1.4 Progress against the Master Plan and Integrated Programme Plan**
The Programme Master Plan (MP version 4) and Integrated Plan (IPP version 1) will be updated following the agreement to the Release 2 replan. Based on the dates quoted (current versions) the following strategic and high level milestones should have been achieved during March, April & May:

commence Live Trial preparation activities (kick-starts a sequence of implementation activities)	23 March	achieved
commence National Roll-out preparation activities (kick-starts a sequence of implementation activities)	30 March	8 June (following POCL Commercial discussions)
complete CAPS Release 3 testing (for the Nile Release 1 which provides additional functionality for CAPS)	6 April	achieved
CAPS Release 3 authorised for use	14 April	achieved
Pathway complete their development work (for Release 2)	24 April	25 May (to be confirmed)
complete Direct Interface Testing (DIT phase 2)	19 May	8 July (result of replan)

Attached at Annex A is a list of the strategic and high level Programme milestones contained in the Master Plan (version 4) and Integrated Programme Plan (version 1) showing their current status.

1.5 ICL Pathway Release 2
1.5.1 Current Status (Release Management & Testing)

At the Formal Management Review meeting held on 13 May it was agreed that replan 'option 3' - to extend Horizon Model Office across CAPS Job Seekers Allowance (JSA) and Income Support (IS) Model Offices - would be taken forward to be developed as the 'preferred option'. This decision was reiterated at the joint testing meeting on

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the 22 May when key actions required to progress the plan were identified.

BA confirmed their willingness to support 'option 3' but would not formally endorse it given their concerns with Pathway delivery.

The current proposal / working assumption is:

- DIT phase 2 to recommence 16 June and run to mid July
- Horizon Model Office Rehearsal (MOR) to run 3 August to 23 October
- Horizon Model Office Testing (MOT) to run 26 October to 4 December
- Horizon MOR/MOT to run in parallel with end of CAPS Model Office testing of JSA and start of CAPS Model Office testing of IS
- In-office migration from Release 1c to Release 2 during January 1999
- Live Trial to run end January to mid April followed by the start of National Roll-out

Work still outstanding includes:

- detailed planning of the Model Office elements with all parties
- recommendations on Live Trial and National Roll-out
- integrating proposals arising from the current Acceptance Review
- reviewing the risks associated with the replan.

Work in these areas is progressing, and it is expected that sufficient progress will be made for an agreement on the replan to be sought from the Formal Management Review Team w/c 15 June.

A summary of the key replan dates is attached at Annex B.

1.5.2 Product Assurance Technical Assurance

Progress continues across a broad series of activities including: preparation for acceptance, input to technical testing, migration from Release 1c to 2 and implementation. The team continues to co-ordinate and monitor the Year 2000 and volumetric work across all domains and to work with Pathway to solve some of the outstanding solutions.

The initial deliverables for the data architecture work: an end to end data model; validation of the model; identification of data issues; and a change control process to maintain the model have been completed and agreed. From this work a risk was identified regarding lack of formal proving of the integration of reference data and the EPOSS (POCL Electronic Point of Sale System) application.

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A tactical working group has been formed and a proposal to solve this problem has been received and is being assessed.

Security Assurance

Pathway continue to make good progress across the broad security front. Some, as yet, minor problems are being worked on regarding the use of addresses for Extended Verification Procedure (EVP) but progress at this stage is satisfactory

Business Assurance

We continue to work closely with Pathway and clarify any remaining aspects of the business design. We support the process of quality and compliance reviews against a broad variety of deliverables including functional specifications, test preparation and acceptance specifications.

A revised process has been agreed which is designed to accelerate the delivery of user documentation into Model Office and Live Trial. This will involve a move to integrated team working with Pathway and is currently being documented.

Few issues remain, in advance of active testing, regarding Automated Payments (AP) and Benefit Payment Service (BPS), however, EPOSS continues to cause concern. There are 117 identified issues the majority of which can not be cleared until we have confirmation, either logically in a document or physically on the product itself, that the solution is acceptable.

1.5.3 Acceptance

The review of the Acceptance Process is planned to complete mid June. The review is looking at the Acceptance process, content and timescale, the co-ordination between Stakeholders and the Supplier and resource / structure implications. The aim is to ensure that the Pathway system can be accepted in a timely and satisfactory way. Any recommendations will need to be taken into account before overall timescales for the replan are finalised.

1.5.4 Implementation

Migration - joint meetings of POCL and Pathway agreed options and issues to be addressed on both technical and implementation aspects. At a meeting on 22 May options were evaluated and key points required for resolution identified. Horizon Release Management issued on 29 May a recommended approach to Release 1c to 2 migration for formal endorsement by POCL and Pathway. The proposal is for migration (at outlets and Data Centre) to take place over a 6 week period from early January to mid February 1999.

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Live Trial & Roll-out - It is proposed that BA and POCL workshops be held w/c 8 June to agree an approach to the Live Trial and National Roll-out. Installation and Training strategies have not yet been agreed. We are also awaiting an ergonomic report from Pathway on how they will implement offices.

1.5.5 Service Management Development

Scoping and definition work has commenced as part of the development of Configuration Management which is an essential discipline that underpins Change Management.

Change Management is currently the subject of a number of discussions both within POCL and with Pathway. Service Management are to provide the formal interface to Pathway with regard to (operational) change.

A methodology has been agreed to support the Operational Business Change process and its formal connection to the terms of the contract.

1.5.6 Issues / Risks

As part of the replan process, 8 areas of risk that need a plan to mitigate have been identified. These include:

- EPOSS design
- detailed testing requirements
- maintenance of Reference Data
- time allowed for Acceptance and Live Trial
- installation beat rate

Each of these risks have been allocated an owner and timescale for producing a mitigation plan.

A number of key decisions are required to address issues in order to achieve the replan dates. A summary of these decisions is attached at Annex C.

Risks identified in other areas of the Programme are being actively managed within the work streams. Only those risk that are likely to impact overall Programme objectives or timescales will be raised to the Board. On this occasion, a list of key high level risks is attached at Annex D for information.

1.6 **Future Releases**

Pathway Release 2 plus contents have now been agreed although the final content will not be finalised until the way ahead on Release 2 is

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agreed. A Release Definition and Release Contents Definition will then be produced.

The contents of Release 2 plus (at a high level) are expected to comprise:

- Soft Extended Verification Procedure
(EVP is an additional level of security to be invoked selectively on certain classes of 'high risk' customer types / transactions)
- CAPS on-line enquiries
- AP Smart
- Key Management
- Nile Release 2 exclusions

A Delivery plan is not expected to be available until July. However, the current working assumption is that Release 2 plus will not be introduced before July 1999.

1.7 General

The Treasury Review of the Programme continues with all parties actively participating. The Review is expected to complete by end of June.

Progress Towards Delivery of Strategic and High Level Milestones

Annex A

Work Area	Strategic/ High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
Pathway Release 2				
Pathway Development & Testing	HLM1	Development - Pathway's development (and sub-contractor development) and 'in-house' Product Integration Testing of all required aspects of Pathway New Release 2. - These cover Counter Application, Agent, Host and Infrastructure development	24 April 1998	25 May 1998 (achievement to be confirmed)
	HLM2	System Testing Pathway in house testing to ensure that the solution conforms functionally to the requirements of the BA/POCL Programme and that Human Computer Interface (HCI) requirements are met.	10 July 1998	3 July 1998
	SMA1	Nile 2 Authorised for Live Trial - Pathway New Release 2 (formerly R1e - OBSCS / BPS / EPOSS / APS functionality) gains authorisation for use in live trial - Follows successful completion of Model Office Testing, POCL procedures developed and documented to support the Release	2 October 1998 (assumes a 5 October Release date).	January 1999
	SMA2	Nile 2 Authorised for National Roll-Out Pathway Release 2 (OBSCS / BPS / EPOSS / APS functionality, together with the communications plan) authorised as 'fit for purpose' for full use in the national roll out.	29 March 1999	April 1999

Annex A

Progress Towards Delivery of Strategic and High Level Milestones

Annex A

Work Area	Strategic / High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
CAPS Development & Testing	HLM3	Start of CAPS 3.0 Development Start of development of CAPS Release 3.0 including in house technical and life cycle testing		Commenced May 1997
	HLM4	CAPS 3.0 Integration & Testing complete. - All in-house development and testing completed. - CAPS Release 3 ready for joint testing with Pathway		Achieved 6 April 1998
	SMB1	CAPS Release 3 (Partial) authorised for use Functionality to enable bulk loads for Income Support (IS), Pensions and Job Seekers Allowance (JSA).		Achieved 13 April 1998
	HLM5	CAPS Release 3 (Full Card Payment) operational - Release fully 'switched-on' with introduction of Pathway New Release 2. - Dependent on completion of post office upgrade from Pathway Release 1c to New Release 2. - Functionality to enable card payments for IS, JSA and Pensions and multi benefit payment via a single card.	2 November 1998	February 1998
POCL Development & Testing	HLM6	HAPS, TIP & Reference Data Ready for Joint Testing - HAPS, Interim TIP and Reference Data (RD) systems developed, system testing completed and ready to take part in joint testing with Pathway. - All guides, procedures and technical support in place. - Link into the Nile 2 Release		Systems have been available for use in joint testing since March 1997

Progress Towards Delivery of Strategic and High Level Milestones

Annex A

Work Area	Strategic / High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
Joint Testing	SMC1	HAPS / TIP / Reference Data authorised for Live Trial POCL Feeder Systems (Reference Data, TIP and HAPS) authorised for use in Live Trial.		The assumption is that this will be after the successful completion of joint testing and model office testing
	SMD1	Start of Joint Testing (Direct Interface Testing) - Release Nile 2 available for joint testing and assurance by POCL Horizon and CAPS Programme. - To ensure that each of the system interfaces conform to the Application & Technical Interface Specification and supports the business, technical and security requirements of both parties on either end of the interface. - Involves CAPS Release 3.0, HAPS, Interim TIP, Reference Data and the Order Book Control System (OBCS).		Commenced 19 January 1998 DIT Phase 2 currently in abeyance
	HLM7	Direct Interface Testing Complete	19 May 1998	8 July 1998
	HLM8	Business Integration Testing Complete - To integrate the Pathway software systems together, and with the target hardware, verify the system architecture on an end to end basis. - Migration tools developed and ready for testing.	21 August 1998	29 September 1998

Progress Towards Delivery of Strategic and High Level Milestones

Annex A

Work Area	Strategic / High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
	SMC1	HAPS / TIP / Reference Data authorised for Live Trial POCL Feeder Systems (Reference Data, TIP and HAPS) authorised for use in Live Trial.		The assumption is that this will be after the successful completion of joint testing and model office testing
Joint Testing	SMD1	Start of Joint Testing (Direct Interface Testing) - Release Nile 2 available for joint testing and assurance by POCL Horizon and CAPS Programme. - To ensure that each of the system interfaces conform to the Application & Technical Interface Specification and supports the business, technical and security requirements of both parties on either end of the interface. - Involves CAPS Release 3.0, HAPS, Interim TIP, Reference Data and the Order Book Control System (OBCS).		Commenced 19 January 1998 DIT Phase 2 currently in abeyance
	HLM7	Direct Interface Testing Complete	19 May 1998	8 July 1998
	HLM8	Business Integration Testing Complete - To integrate the Pathway software systems together, and with the target hardware, verify the system architecture on an end to end basis. - Migration tools developed and ready for testing.	21 August 1998	29 September 1998

Progress Towards Delivery of Strategic and High Level Milestones

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Work Area	Strategic / High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
	SMD2	Joint Technical Testing Complete - Pathway Release 2 - Direct Interface Testing / Business Integration Testing / Technical & Security Testing / End to End main pass complete. - Testing ensures that the full end to end business processes, within the BA/POCL scope, are satisfied by each of the systems involved (existing or new).	Target Date 21 August 1998	26 October 1998
Model Office Testing	SMD3	Start of Model Office Rehearsal - Pathway Release 2 - Model Office Tests commence with Model Office Rehearsal. - To ensure any significant errors in the preparation, procedures, testing material and training are identified and rectified prior to actual Model Office Testing.	Target Date 8 June 1998	3 August 1998
	HLM9	End of Model Office Rehearsal	14 August 1998	23 October 1998
	HLM10	Start of Model Office Tests - Includes Model Office Test and End to End Final Pass	24 August 1998	26 October 1998
	SMD4	Model Office (inc. End to End) Testing - Pathway Release 2 - Model Office Tests complete. - End to End final pass complete. - To test that the system and manual business processes interact (in a production like environment using actual users).	25 September 1998	4 December 1998

Progress Towards Delivery of Strategic and High Level Milestones

Annex A

Work Area	Strategic / High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
Acceptance	HLM11	Start of Acceptance Tests (Trialling) - ICL Pathway have divided the acceptance criteria into 23 acceptance tests that equate approximately to a service e.g. OBCS, EPOSS. - Each acceptance test is described in an acceptance specification which includes details of the methods of acceptance for each acceptance criteria.	July 1998	Under Review
	HLM12	End of Acceptance Tests	21 August 1998	Under Review
Preparation / Implementation for Live Trial	SME1	Start of Preparation for Live Trial Roll-out Commencement of preparation activity for roll out to additional outlets for Live Trial - RGM communication to affected outlets.		Commenced 23 March 1998
Service Management	HLM13	Service Management Processes in place for Live Trial Service Management key processes / procedures (covering Incident, Change, Problem & Configuration Management) in place to support Live Trial.	25 September 1998	January 1999
Live Trial Operation / Evaluation	HLM14	First outlet live with Pathway New Release 2 - Follows the successful introduction of, and migration to, the Nile 2 Release. - Implementation & training complete and counter procedures available.	6 October 1998	6 January 1999

Progress Towards Delivery of Strategic and High Level Milestones

Annex A

Work Area	Strategic / High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
	HLM15	Migration from Release 1c to Pathway New Release 2 complete at 200 outlets Follows an (agreed) migration strategy and supporting schedule covering all aspects of the data cut-over from existing office systems (Congo Release 1C) to the new Release (Nile 2).	30 October 1998	February 1999
	SME2	Start of Live Trial - Commencement of Live Trial period. - Model Office Testing must be successfully completed prior to commencement of the Live Trial. - Pathway must be able to demonstrate that they can support the payment of multiple benefits and on-line functionality. - Live Trial shall take place initially in 200 (existing) outlets. A further 100 post offices, including current ECCO offices, will be rolled out within the first two weeks of the Trial. - Wigan and Bootle Data Centres upgraded (clear down and migration). - The Trial will run for 11 weeks.	11 January 1999	1 February 1999
	SME3	100 new outlets operational for live trial 100 additional outlets implemented and operational for Live Trial.	22 January 1999	February 1999
	SME4	Commencement of Live Trial Commencement of 9 week Live Trial evaluation period.	25 January 1999	February 1999

Progress Towards Delivery of Strategic and High Level Milestones

Annex A

Work Area	Strategic / High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
	SME5	Completion of Live Trial Live Trial Evaluation complete and authorised.	26 March 1999	April 1999
Preparation / Implementation for National Roll-out	SMF1	Start of Preparation for National Roll-out Commencement of preparation activity for national roll out to post offices and BA district offices - RGM communication to affected outlets.	30 March 1998	8 June 1998
National Roll-out	SMF2	Start of National Roll-out Start of national roll out to post offices and BA district offices in all areas of mainland Britain	April 1999	April 1999
	(Intermediate milestones for National Roll out to be developed)			
	SMF3	Roll out to Post Offices & BA District Offices Complete Installation at all post offices and BA district offices complete and available for customer use.	October 2000	October 2000
Benefit Migration (to Card Ready)	SMG1	Benefit Roll out - JSA and IS Card Ready - Payment of Income Support and Job Seekers Allowance in Great Britain available for customer use. - Current target for Customer Payment Repository (CPr) go-live is February 1999 and links to the start of the Live Trial. - JSA and IS pilots will run for the duration of the Live Trial.	February 1999	February 1999

Progress Towards Delivery of Strategic and High Level Milestones

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Work Area	Strategic / High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
	SMG2	Benefit Roll out - PSCS / Incap Card Ready - Payment of Pensions / Incap Benefits in Great Britain available for customer use. - Current target for Customer Payment Repository (CPr) go-live is May 1999.	May 1999	TBA
	SMG6	All Benefits can be paid by Card All benefits can be paid by card at post offices in mainland Great Britain to customers whose personal details have been loaded to the PDR	TBA	TBA
SSA NI Benefit Migration (to Card Ready)	SMH1	Start of SSA NI Benefit Roll out Commencement of SSA NI Benefit Migration	TBA	TBA
	SMH2	SSA NI Benefit Roll out Complete All benefits can be paid by card at post offices in Northern Ireland to customers whose personal details have been loaded to the PDR	TBA	TBA
POCL Client Take-on	HLM16	Client Take-on Strategy Agreed Agreement and development of the CTO strategy and the re-engineering of existing products / development of new products for the new automated platform.	TBA	TBA
	SMJ1	Client Take-on Release 1 Client Take On Release 1 - transactions re-engineered and implemented for customer use having completed testing and acceptance by ICL Pathway	TBA	TBA

Progress Towards Delivery of Strategic and High Level Milestones

Annex A

Work Area	Strategic / High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
	SMJ2	Client Take-on Release 2 Client Take On Release 2 - transactions re-engineered and implemented for customer use having completed testing and acceptance by ICL Pathway	TBA	TBA
Pathway Release 2 Plus				
Pathway Design & Development	HLM17	Start of Pathway Release 2+ Design / Development - Pathway establish agreement on specifications / functionality and commence design of all aspects of the Nile 2+ Release. - Details of Pathway's development (and sub-contractor development) activity and 'in-house' Product Integration Testing of all required aspects of the Nile 2+ Release to be developed - Proposals for system testing to ensure that the Pathway solution conforms functionally to the requirements of the BA/POCL Programme to be developed		Commenced 2 February 1998
CAPS Releases	SMB2	CAPS Release 4 available for joint end to end testing.	TBA	TBA
	SMB3	CAPS Release 4 authorised for use (Ready for card payment) - CAPS Release 4 - testing complete and authorised for use. - Working assumption is that it will be introduced September 1999. - Functionality for performance improvements, Pathway enhancements. Possible link to Pathway Release 2+.	TBA	TBA

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Work Area	Strategic / High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
Joint Testing	HLM18	Start of Joint Testing (Direct Interface Testing) - Pathway Release 2+ available for joint testing and assurance by POCL Horizon and CAPS Programme. - To ensure that each of the system interfaces conform to the Application & Technical Interface Specification and supports the business, technical and security requirements of both parties on either end of the interface. - Forecast commencement	September 1998	Date to be confirmed
	HLM19	Direct Interface Testing Complete	February 1999	Date to be confirmed
	HLM20	Business Integration Testing Complete To integrate the Pathway software systems together, and with the target hardware, verify the system architecture on an end to end basis.	Forecast completion April 1999	Date to be confirmed
	HLM21	End to End Testing Complete Testing ensures that the full end to end business processes, within the BA/POCL scope, are satisfied by each of the systems involved (existing or new).	Forecast completion May 1999	Date to be confirmed
Model Office Testing	HLM22	Model Office Testing To test that the system and manual business processes interact (in a production like environment using actual users).	Forecast completion May 1999	Date to be confirmed

Progress Towards Delivery of Strategic and High Level Milestones

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Work Area	Strategic / High Level Milestone No.	Milestone Description	Target Date (based on Master Plan V4.0 and Integrated Plan V1.0)	Current Status (all dates subject to agreement)
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Acceptance	SMA3	Pathway Release 2+ authorised for use - Joint testing, Model Office Test and Acceptance testing - successfully completed - Relevant CARs and Agreements to Agree delivered	June 1999	Date to be confirmed
Implementation	HLM23	Implementation / migration Nile Release 2+ successfully migrated and introduced at PO outlets	TBA	TBA
Live Running	HLM24	Go-live Nile Release 2+ running in PO outlets.	TBA	TBA
Project Completion	SMK1	Project Completion All elements of the Programme in place, and ongoing responsibilities transferred to supplier / sponsor organisations	TBA	TBA

Summary of Replan Key Dates - Status at 29th May 1998

	Milestone	Description	Due	Status	Comment/Reason for Status
1.	Re-Plan Agreed	All key dates agreed by BA, POCL and Pathway	12/6/98	G 	Model Office dates agreed by 29/5/98 and Live Trial and Roll-out by 12/6/98
2.	Ready to start JSA Model Office	CAPS are ready to start their JSA model office and Pathway are ready to support them.	8/6/98	G 	
3.	Ready to re-start DIT 2	Scope of test agreed and Pathway cleared PinCLs from previous test phases.	16/6/98	A 	
4.	Reference data ready	POCL's reference data ready to be aged for Model Office (duration 3 weeks) and will be passed to Pathway approximately 2 weeks before start of Model Office	mid June	A 	Date currently under review
5.	Ready to start 2nd Cycle of JSA Model Office	JSA Model Office cycle 1 met its objectives and all parties ready to start the second cycle	7/7/98	G 	
6.	Ready to start Horizon Model Office and End to End Testing and Third Cycle of JSA	DIT 2 successfully complete, JSA Model Office cycle 2 complete and all parties (CAPS, Pathway and POCL) are ready to start Horizon Model Office and End to End Main Pass	10/8/98	A 	Note reset week commences 3 rd August
7.	Ready to start Horizon Model Office 2nd cycle	JSA Model Office cycle 3 completed satisfactorily, CAPS ready to start IS Model Office 1, and all parties ready to start Horizon 2nd cycle	21/9/98	G 	
8.	Ready to start Horizon Model Office Test and Final Pass of End to End	Horizon Model Office 2nd cycle and End to End Main pass completed successfully, and all parties reset ready to start Horizon Model Office Test and Final Pass of End to End.	2/11/98	A 	Plan finish date for Model Office is 6 th December with 2 weeks contingency
9.	Nile 2 Authorised for release.	Release Authorisation Board concludes fitness of Nile 2 for release from: the results of testing; the readiness for implementation; and the readiness to receive the service into the live environment.	2nd half 12/98	G 	Date to be confirmed
10.	Migration of current live offices to Nile 2 complete.	Migration of 205 outlets and Pathway, POCL and CAPS central systems to Nile 2 complete.	end Jan	G 	Date to be confirmed (recommendation is 29 th January)
11.	Ready to start Live Trial	Live running in the 205 outlets indicates that the release is stable and fit for the Live Trial	By mid-Feb	G 	Date to be confirmed

Key To The Status Column :

Green (G) - Date Expected To Be Achieved
 Amber (A) - Date Under Review. Activity Closely Monitored
 Red (R) - Dates Unlikely To Be Achieved

File Ref : Mayrep

Summary of Key Decisions Required to Achieve the Replan Dates

Area	Decision	Raised by	Owners POCL/Pathway	Need to be resolved by
1. Design Issues	Resolution of key design issues preventing release, especially; 1.1 FAD code as the unique key. Progress stalled; escalate to Sponsors? 1.2 Reconciliation in abnormal circumstances (BES fallback) 1.3 Approval of RCD for NR2	J Meagher J Meagher M Hughes	D Miller/M Coombs M Rego/J Topham/T Austin M Coombs/D Miller	TOR/principles 5/6/98 complete 30/6/98 30/6/98 12/6/98
2. DIT/Model Office/End to End	Delivery of Testing plans within the replan 2.1 Resolution of outstanding Design issues around DIT2.	P Jones	J Topham	5/6/98
3. Migration 1c to 2	Agreement of the migration strategy to establish NR2 3.1 First week is only a proving exercise in 6 offices. Need to agree how long migration and rate for remaining 199 offices.	J Murray	B McNiven/M Coombs	12/6/98
4. In office migration	Agreement of the in office migration strategy. 4.1 How should it be done ? 4.1 When should it be done (out-of-hours) ? 4.2 Who pays for it ?	B McNiven B McNiven B McNiven	B McNiven/T Austin D Miller/M Coombs D Miller/M Coombs	22/6/98 30/6/98 30/6/98
5. Acceptance	Agreement of the Acceptance 5.1 Agree the Release Authorisation relationship with Contractual Acceptance (and confirm the Release authorisation process)	A Simpkins	N Mohindra/J Dicks/ M Hughes	31/8/98
6. National Rollout	Agreement of the National Rollout plan (start and duration) 6.1 Need to commit first roll-out offices 12 weeks prior to go live i.e. before evidence available from live trial. Endorsement of approval. 6.2 Agreement by all parties on start date and rate of ramp-up to '300 beat rate' 6.3 Resolution of number of counters to automate	B McNiven PCrahan/BMc T Austin	D Miller/M Coombs D Miller/M Coombs D Miller/M Coombs	31/7/98 12/6/98 31/8/98

Annex C

7. Commercial Issues	Resolution of issues impeding roll-out 7.1 <i>Costs of estates work</i> 7.2 <i>Agreement as to the action to be taken for "non solution" offices</i>	M Coombes M Hughes	D Miller/M Coombs D Miller/M Coombs	31/8/98 31/8/98
8. Reference Data	Agreement of an additional stage of proving for live ref data 8.1 <i>Agree to include live proving stage to validate live reference data</i>	J Meagher	J Meagher/T Austin	interim 18/6/98 final 30/6/98

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Annex D

Key High Level Risks

Risk	Release Impact	Progress
Pathway New Release 2.0 (Nile 2) slippage in delivery [Target Date was 5 October 1998] - Key design issues (EPOSS) have still to be resolved - There is limited contingency built into the testing phase	- Outlet business processes will need re-engineering to fit with current EPOSS functionality - Slippage in joint testing will prevent Pathway achieving the new delivery date of 18 December.	- Pathway's replan forecasts a delivery date of 18 December, Live Trial in January 1999; and National Roll Out in April 1999 - Position under regular review at Checkpoint meetings with Pathway
National Roll out Failure of Pathway to maintain the rate of Rollout at 300 post offices per week During the roll out of the 205 existing outlets, Pathway: - encountered problems at outlets at the survey or modification stage which have prevented them from installing equipment as planned - did not maintain the rate of roll out (50 outlets per week) that they expected There is a risk that Pathway will not be able to achieve the roll out rate of 300 outlets per week, which determines the timescales assumed in the Programme Master Plan	Failure to achieve the rate of roll out will: - extend the timescale for the Automation Programme - delay the delivery of benefits to POCL and DSS - damage the ICL Pathway business case, because planned transaction levels will not be achieved If a roll out beat rate of 300 outlets per week is achieved, national roll out should take 17 months. If the beat rate falls to 200 outlets per week, national roll out will be extended by 8 months (25 months total). If the beat rate falls to 100 outlets per week, national roll out will be extended by 34 months (51 months total). There is a linked risk that the sponsor organisations will not be able to provide the necessary support to maintain roll out at the rate of 300 outlets per week even if Pathway are technically capable of doing it.	- Arrangements in hand to establish mutual co-operation and support with Pathway and their sub-contractors in achieving rollout rate - There will be a full review of roll out performance during the live trial evaluation, before full national roll out commences - Contractual remedies to be reviewed in the light of performance

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Risk	Release Impact	Progress
Programme baseline documentation set The programme does not have a clear baseline documentation set	• There is a lack of clarity about which documents are relevant to the programme or individual releases. • It is not clear what level of control and agreement is required for documents	• Pathway have produced a revised change note agreeing to an initial list of contractual documents to meet concerns raised at meetings of the Core Negotiating Team. • The documents and versions on the list have been validated against the contract • Listings of the documents which are needed to provide assurance for Nile 1 and Nile 2 have been produced and baselined
Disruption to SELDO Test Centre The lease on SELDO has passed to a new landlord who intends to carry out major rebuilding and refurbishment from the end of 1998 for two years.	Nile 2: • The building work may disrupt services to the Test Centre during vital phases of testing	• Meetings held with Shaw Corporation (managing agents for SELDO) to review the impacts of their refurbishment / development programme. • The managing agent has given an assurance that they will do everything possible to minimise disruption to testing operations.

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The table below details the current financial position for financial year 1998/9 as at the end of period 2 (May).

FIGURES ARE DISPLAYED IN £S THOUSANDS	YEAR TO DATE				FULL YEAR		
	Budget	Actual	Variance		Budget	Forecast	Variance
Total Prime Staff Costs	(736.5)	(511.8)	224.7		(7,063.1)	(6,883.1)	180.0
Accommodation Related	(42.1)	(35.1)	7.0		(3,258.7)	(3,230.1)	28.6
Telephones	(5.7)	(4.4)	1.3		(33.6)	(33.6)	0.0
Publicity Related	0.0	(5.2)	(5.2)		(47.5)	(47.5)	0.0
Travel & Subsistence	(65.0)	(38.6)	26.4		(1,572.3)	(1,572.3)	0.0
Printing & Stationery	(15.7)	(0.9)	14.8		(222.5)	(219.3)	3.2
External Staff	(1,103.5)	(1,374.8)	(271.3)		(4,364.1)	(4,594.0)	(229.9)
Employee Related	(19.4)	(12.6)	6.8		(257.4)	(257.4)	0.0
Total other	(28.8)	(6.3)	22.5		(1,532.3)	(1,532.3)	0.0
P/(L) on Asset Sale	0.0	1.0	1.0		0.0		0.0
Depreciation	(13.0)	(14.7)	(1.7)		(185.6)	(185.6)	0.0
Total Prime Overheads	(1,264.4)	(1,491.6)	(227.2)		(11,473.9)	(11,672.0)	(198.1)
Net Charge from RML	(4.5)	(2.8)	1.8		(147.2)	(147.2)	0.0
Net Charge from Parcellforce	0.0	0.0	0.0		0.0	0.0	0.0
Net Charge from SSL	0.0	0.0	0.0		0.0	0.0	0.0
Net Charge from group	(235.8)	(127.7)	183.8		(1,414.1)	(1,414.1)	0.0
Total Interbusiness	(240.3)	(130.5)	185.6		(1,561.3)	(1,561.3)	0.0
Market Rent	(35.6)	(27.8)	7.8		(213.5)	(213.5)	0.0
Consultancy	(73.6)	(89.0)	(15.4)		(765.8)	(744.2)	21.6
Total Intrabusiness	(109.2)	(116.8)	(7.6)		(979.3)	(957.7)	21.6
Total Expenditure	(2,350.4)	(2,250.7)	99.7		(21,077.5)	(21,074.0)	3.5

2.1.1 Staff:

Year to date positive variance of £224.7k, full-year forecast £180k below budget.

In the main this is due to budgeted posts having not yet been filled. The programme is currently undertaking a review of manpower requirements and until this is completed there is a general embargo on recruitment. However, it is believed that some of this variance is due to intrabusiness charges still to be raised, therefore the forecast reflects real savings identified to date.

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2.1.2 Prime Overheads:

Year to date adverse variance of (£227.2k), full-year forecast (£198.1k) above budget.

This is entirely due to expenditure on external staff being £270k above budget, which has been offset by savings elsewhere. This overspend is due to invoices which have been processed this month in relation to external staff services prior to the start of this financial year which were procured via POCL, outside of the old PDA, and for which an accrual was not allowed at the 1997/8 financial year end. Despite not having budget for this prior year expenditure, the Horizon Programme aims to provide for this overspend by savings elsewhere and this is reflected in the current overall forecast outturn.

2.1.3 Interbusiness:

Year to date positive variance of £185.6k, full-year forecast to budget.

It is possible that not all charges proper to Horizon have yet been raised by POiT. This is a matter for further review by the Finance Team and following this the forecasts will be adjusted accordingly.

2.1.4 Intrabusiness:

Year to date adverse variance of (£7.6k), full-year forecast £21.6k under budget.

There has been higher than budgeted spend in relation to Business Services Consultancy, however, it is believed that some costs are shown in this area in error and this is currently being reviewed. The favourable reduction in forecast reflects known savings to date, but this may change following the review of year to date charges mentioned previously.

2.1.5 Overall Performance:

Based on current implementation plans and year to date expenditure, it is anticipated that the Horizon Programme will outturn within budget for 1998/9, despite an unallowed accrual relating to expenditure incurred prior to the creation of the current organisation. Excluding this amount the project would be forecasting an underspend equating to 1.3% of total budget.

2.1.6 General Budget Management:

A reporting structure has now been established on MICA which will now support the devolution of budgets to lower levels, thereby, facilitating a more robust budget management system. To date reviews have only been performed on main expenditure areas; future board reports will be based on reviews of all costs within all budget areas.

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2.2 Business Case / Business Plan:

2.2.1 Current Position:

Following the April Post Office Board update a total review of the Horizon Business Case has commenced. This work is reviewing both the Base Case and the Automation Case, it should be noted that a full review of the Base Case has not been carried out since 1995/6.

The revised Business Case will be presented to ComPEC in July with the aim of taking it to MaPEC in September.

2.2.2 Future Business Case Reporting:

Horizon Board reports will provide updates on the Horizon Business case and associated Business Plan implications. This will take a feed from the in year budget reporting, but updates will be provided for all key elements of the business case/plan (i.e. income & expenditure areas) across the life of the programme. These updates will take due account of changes in plans/assumptions/volumes etc. and any authorised change control notes. This report will also review the quantified financial risks associated with the Programme.

The prime focus will be on the NPV of each business case area with explanations of changes in forecasts and variances to the NPVs included in the authorised case. The report will also comment on forecast performance against the Total Authorised Sum.