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**FROM : PETER SCHOFIELD**  
**DATE : 23 February 1999**  
**EXTN : GRO**  
**ROOM: 25/G**

**STEVE ROBSON**

cc : Harry Bush  
Adrian Montague  
Sarah Mullen

**BA/POCL: MEETING WITH ICL**

You and I met Christou and Hancock (Hambros) on 19 February.

2. ICL had asked for the meeting, expressing concern that they had not heard anything since their previous meeting with us on 1 February. You indicated that you expected to know shortly whether Ministers were prepared to give the amber light to further discussions on the new option.

3. Christou said he was still concerned that the Benefits Agency had stopped work on the multi-benefit part of the project. He said he suspected that this was because the Benefits Agency were running behind schedule on the CAPS project - he noted that the Benefits Agency had delayed procuring from ICL some of the hardware required for this project.

4. There was a brief discussion about the next steps, should Ministers decide to proceed with the new option. Christou said that he would like to take staff off the development of the BPC to focus on the new approach. However, he would give some thought to how ICL might keep open the option of returning to the Benefit Payment Card should the new approach prove impracticable (although he was pretty sure that it would be).

5. Christou said that the major urgency for him was that his auditors would ask him to make provision for the costs of developing the BPC if there was no more certainty over the project by the end of March. He said that Fujitsu would probably use this as an opportunity to pull the plug on the project and look to their legal rights. If we go down the new approach, he said that he would look to the Government to provide him some form of cover

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for the abortive BPC costs. You replied that the presumption should be that ICL should bear the same NPV loss as they were prepared to take in December.

6. Finally, there was a discussion on handling the Post Office. Christou said that he thought Stuart Sweetman (POCL) trusted him, and it might make sense for Christou to be present when POCL are told about the new approach.

**PETER SCHOFIELD**  
**PEP**

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