



24.NOV.1997 16:59

NO.619 P.1/3

RESTRICTED COMMERCIAL.

DSS

1st Party

PROJECTS DIRECTOR

Room 2, Holborn House
Canton Road
Eastway
Fulwood
Preston, PR2 4ZBTel: GRO
Fax: GRO

Fax Cover Sheet

No. of pages (incl. cover sheet) 3.TO: PAUL RICHFAX GROFROM: PETER CRAHAN

SPECIAL INSTRUCTION

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- ① Copies to ~~the~~ Mr Director and Kevin Longin
- ② My 'BIA' commercial files

24.NOV.1997 16:58

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Benefits Agency and
Post Office Counters Ltd
Third Floor
Terminal House
52 Grosvenor Gardens
London SW1W 0AB

telephone 0171 200 5400 (switchboard)
GRO (direct line)
facsimile GRO

John Bennett
Managing Director
ICL Pathway
Forest Road
Feltham
Middx
TW13 7BJ

24th November, 1997

DS/1122.

Dear Sir,

Related Agreements between Secretary of State for Social Security, Post Office Counters Limited and ICL Pathway Limited dated 15 May 1996

I am writing on behalf of both Authorities to give notice of breach of the above contracts, as you have failed to complete the Operational Trial by the designated contractual milestone of 21 November 1997. We are reserving our position on rights and remedies resulting from this breach until further notice, but do not intend to exercise these at present.

On the contrary, it is our current intention to continue in discussions with you on re-planning the way forward of this Programme. For the avoidance of doubt, however, these discussions are without prejudice and subject to contract.

Yours sincerely

GRO

Peter Crahan
Programme Director



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NO. 519 P. 3/3

From: Peter Crahan
BA/POCL Programme
Date: 24 November 1997
Copy: G McCorkell
P Rich

To: Peter Mathison
Stuart Sweetman

SUBJECT: Contractual Position with ICL Pathway

1. As you know, we have been seeking to protect the legal interests of sponsors throughout the re-planning period with ICL Pathway. As you may be aware, ICL Pathway have failed to complete the Operational Trial by the contracted date of 21 November 1997.
2. In anticipation of this breach I have had discussions with the Programme lawyers and agreed the way forward with George McCorkell and Paul Rich. In a nutshell the agreed course of action is to write to ICL Pathway, informing them of this breach, at the earliest opportunity.
3. We are therefore issuing a letter informing them of this breach of contract but reserving our position on rights and remedies resulting from this breach. It is our intention, of course, to continue discussions on re-planning the way forward. However, should we wish to use the breach at any point in the future, including to terminate the contract, not to have issued the notification now would be deemed as a waiver of our rights and remedies.
4. Attached is a copy of the letter sent to John Bennett today.

GRO

PETER CRAHAN
Programme Director PDA
BA POCL Programme
3rd Floor, Terminal House

Tel: GRO
Fax: GRO