

CIRCULATION: NATIONAL EXECUTIVE COUNCIL

A/3 PC NW 06 01

Your Ref:

Our Ref: CB/EJA/PC NW 06 01

National Federation of
SubPostmasters

6th November 1998

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General Secretary
COLIN BAKER

Assistant General Secretaries
KEVIN DAVIS
PAUL HEASMAN

CIRCULATION: NATIONAL EXECUTIVE COUNCIL

Dear Executive Officer,

HORIZON PROGRAMME

As you will see by the attached correspondence following a well informed article in *Computer Weekly* of 5th November we have written to Alistair Darling in strident terms.

We understand from sources that the threat to the Benefits Payment card is real and this is the moment for the Federation to be forthright in its dealings with the Government. We will, of course, keep you fully advised of developments but hope that this early strong letter to the Government may help to retain the previous promises we have received.

Yours sincerely,

GRO

COLIN BAKER
General Secretary

enclosure

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5th November 1998

The Rt. Hon. Alistair Darling Esq.
Secretary of State for Social Security
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General Secretary
COLIN BAKER

Assistant General Secretaries
KEVIN DAVIS
PAUL HEASMAN

Dear Mr Darling,

COMPUTER WEEKLY ARTICLE

I was shocked to read the report in *Computer Weekly* this morning which purported to have senior Government officials as its source.

The suggestion that the Benefit Payment Card is to be dropped would completely contradict assurances given by Kate Hoey on behalf of your Department at the National Federation of Sub-Postmasters' annual conference in May, and by the Rt. Hon. Peter Mandelson yesterday at the Trade and Industry Select Committee.

It would also appear to undermine the proposals put forward by the Prime Minister at the Labour Party Conference in September for a single account - pilots of which I understood were going to be developed jointly between yourselves and The Post Office.

I would like to make it quite clear that any proposal to automate the post office network which does not involve the continuation of the Benefits Payment Card would be wholly unacceptable to Sub-Postmasters, who have invested their livelihoods on the basis of assurances given by your Government.

The continued payment of benefits via the post office network is crucial to the survival of thousands of sub post offices. Removing this income would leave the network unstable and unable to survive long term.

I look forward to a speedy response to clarify that you will not let Sub-Postmasters down by renegeing on previous promises. I also hope you will do everything possible to prevent your officials from helping further scurrilous articles to appear in the press, which can only serve to undermine Sub-Postmasters' confidence in the integrity of this Government.

I am sending a copy of this letter to the Prime Minister, the Secretary of State for Trade and Industry, The Treasury Chief Secretary and to the Managing Director of Post Office Counters.

Yours

GRO

COLIN BAKER
General Secretary



Finding a path... Mandelson sees the post office as a business

MPs quiz Civil Aviation Authority on Swanwick

A COMMITTEE of MPs have raised *Computer Weekly's* concerns about the Government's choice of independent auditor of the computer systems at the Swanwick air traffic control centre in Hampshire.

Computer Weekly has revealed there is a close business relationship between National Air Traffic Services and the State-owned Defence Evaluation Research Agency which was appointed by the Government to conduct an

independent audit of the system. The committee, led by the

chairman, Sir John Gummer, has expressed its concerns about the choice of the Swanwick air traffic control centre in Hampshire.

Computer Weekly has revealed there is a close business relationship between National Air Traffic Services and the State-owned Defence Evaluation Research Agency which was appointed by the Government to conduct an

Benefits card faces axe

Bill Jacobs and Stephen Phillips

THE GOVERNMENT is considering a radical rescue package to salvage ICL's troubled Fibra post office automation project.

A senior source said the benefits payment swipe card, touted as the £150m-a-year antidote to social security fraud when the contract was signed in 1996, may be scrapped under a "major reconfiguration of the contract".

"The benefits payment card doesn't have to form part of the contract if it's changed," added the government insider.

Ministers are locked into last-minute talks with ICL and the Post Office on the

future of the project - dubbed B.A. Pool or Pathway - which has faced the axe since April when the Treasury instigated a crisis review.

ICL is two years late delivering a swipe card-enabled platform to computerise 19,245 post offices.

The government is pressing ahead with plans announced by Tony Blair at last month's Labour Party conference, for post offices to host accounts for the estimated 5% of the population - mostly benefits claimants - shunned by high-street banks.

NetWest unveils coin cash dispenser

NetWest has introduced a coin dispenser-enabled cash machine which would allow benefits payments to be dispensed from the hole-in-the-wall-type machine.

The technology overcomes the problem of automated teller machines only dispensing cash in multiples of £10, which has prevented banks offering this service.

Benefits could also be downloaded as electronic cash from cash machines using a Mondex card, said a spokesman for NetWest.

The proposal would pave the way for universal benefit payments by automatic credit transfer into bank accounts making a benefits payment card superfluous.

But Pathway has been thrown a lifeline by Post Office minister Ian McCartney. His blueprint to turn the Post Office into a commercial retail and banking network was presented to trade minister Peter Mandelson this week.

A Treasury insider said ICL had relinquished its demand on the government of "removing an impediment to proceeding with the project". An ICL spokesman said ICL remained committed to the benefits card.

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