ICL Pathway
Bringing
Technology
to **Post Office**
Counters

Monthly
Progress
Report

ICL

November 1999

POH-403D

ICL Pathway Monthly Progress Report

Contents:

ICL Pathway	**Programme Monthly Report**	Ref:	PA/REP/044
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		Date:	20/12/99

Document Title: ICL Pathway Monthly Report - November 1999

Associated Documents:

	Reference	Vers	Date	Title	Source
[1]	PM/PRO/002	1.0	26/09/96	Pathway Programme - Project Planning, Reporting and Control	

Approval Authorities:

Name	Position	Signature	Date
J. H. Bennett	Managing Director		

Managing Director's Summary

ICL Pathway	**Managing Director's Monthly Report**	Ref: PA/REP/044
		Version: 1.0
		Date: 20/12/99

Managing Director's Summary

PROGRAMME PROGRESS

- The rollout milestone payment of £105M including VAT was received two days early on the 3rd December.

- By week ending 12th November the installation programme had achieved successfully 'Go-Live' in 1856 post offices. This will increase by one when we install a new post office in the Millenium Dome complex on 17th December.

- The infrastructure activities of the post offices continued until 10th December with a shorter break for Christmas. This period itself is being used to fine tune our processes on all aspects of rollout and in particular to tighten up how we manage our key sub-contracts internally and externally in the shape of OSD, Energis and NTL Workplace.

- The critical work with NTL Workplace has been the main activity on sub-contracts and following the takeover by NTL and the joint workshops which we have run on a mixed team basis, looks like showing visible improvement in both attitude, quality of work and working relationships. The real proof of course, will only show when the installation programme starts in January.

- The concerns shown by POCL on the training scheduling have now all been addressed and POCL are satisfied with the status of this area. This is one of a number of key criteria which has to be met to meet rollout considerations.

- We have been actively involved in an external audit by PA Consulting Group in conjunction with the Post Office, looking at all elements of implementation. This audit is completed and the initial feedback we have received is that the independent audit shows that our rollout plans are robust, satisfactorily planned and are ready to start and sustain roll-out for the duration of 2000.

- The big new issue this month has been the surfacing of critical concerns regarding the intercept of the next PC baseline which needs to come on stream in June 2000 for volume deliveries. There is a specification mismatch for the targeted platform beyond the first 27,000 PC's and although there are two options for moving forward, each has major drawbacks. We are in full conversation with Seimens Fujitsu Limited to reach a clear joint way forward on this, which ideally we need to have in place before the 24th December.

- The issue concerning systems stability measured in reboots and reloads of the counter systems has shown encouraging and continuing improvement from what was seen as a very demanding target only two months ago. We are running on a weekly basis consistently 20% better than target with the opportunity (if we can handle one further complex area) of showing another 20-25% further improvement. Whereas this is not an issue for acceptance, all improvements are welcomed since they improve the reputation of the system, reduce calls on the helpdesk and lower our cost base.

- The incremental release SIP16 went out in extremely good order to the whole estate in a short and very compressed timescale and has been running satisfactorily now for over two weeks with no major incidents. This is one of the best software increments we have achieved to date.

- We now move on to the EPOSS reconciliation facility, which is required for AI376 and is one of the other critical criteria to be reached to enable National Rollout to restart. This is a much more complex facility than SIP16 and needs to be satisfactorily and safely delivered to all the live post offices before the 28th December such that we can have two clear weeks of cash account running to ensure accuracy, stability and effectiveness. The plan is tight, manageable but not without risk.

- We have received a Request For a Proposal [RFP] for 3,000 ATMs for banking arrangements with the post office and this has been replied to in conjunction with ICL Financial Services as a One ICL bid. In addition, we have received a Request For Information [RFI] for network banking capabilities to be delivered across the counter. This is due to be submitted before the 24th December. It is however clear that there is quite a lot of politics, conflict and tension between the various new business units within the post office which we will have to manoeuvre around and through in order to make progress on network banking. It is very likely that the post office will pursue their interest here on purely competitive open tender arrangements.

ACCEPTANCE

- The most serious issue on acceptance resolution concerns AI376 and the integrity of accounting data being managed from the end to end basis with Horizon. This in turn requires more disciplined and strict accounting integrity controls, some of which can be achieved through the EPOSS reconciliation software and others through process and independent tools and the balance through stronger end to end control of the reference data processes. The plan to handle the main problem area and indeed the lower level actions across a range of AI issues is well constructed, being followed and is capable of achievement. However, there is little contingency in the plan with respect to timescale and we do need a formal agreement with POCL, particularly in the case of reference data procedures which have been defined during workshops. These need to be drawn together into an agreed Change Control document, probably a further Supplemental Agreement.

- AI408 for Help Desk procedures is a second but important acceptance resolution plan, where we now have a new set of measures for calls answered within 20 seconds, cash account response times and cash account script compliance. This is largely a subset of the original SLA measures and will be reviewed on a weekly basis between the 3rd December to mid January.

- November was a good month for Service Operations with the service levels showing a steady improvement with good system reliability.

- Since the completion of rollout in 1999 and a stable set of 1856 post offices, the call rate on our Help Desk has shown quite marked improvement in the falling off of calls. Whereas the calls per outlet, were running at just over three per week in the week beginning 4th October, these have reduced to just over one in the week beginning the 22nd November. This is a good improvement and if maintained, will help us considerably once we are through the full rollout programme.

ISSUES

- The new PC baseline is urgent and critical and has been referred to above.

- Communications service provider Energis is still having difficulty giving us a forward proposal to cover the poor BT national coverage of ISDN.

- We have a requirement to deliver a lightweight mobile configuration in up to 250 outlets to complete the rollout schedule. Agreement on this has been under debate for the best part of two years and progress remains slow and sometimes quite fraught. However time left for further debate is rapidly diminishing.

- The Development Directorate is having difficulty building the software release baselines on the test rigs to both speed and quality required and this is eating into the programme float, which leads towards the CSR+ delivery schedules. Delay here needs to be curtailed and where possible, time pulled back.

- Reaching a termination settlement agreement with De La Rue is proving difficult and may well not complete in December '99.

- Our Year 2K plans for the millennium weekend are now solid, we have approximately 70 people committed to being either on site or on call for formal working over the main weekend, with management on phone standby and availability in case issues need to be escalated.

Development Report

Development Report

MONTHLY SUMMARY

- I was very pleased that we were able to meet the demanding reboot levels categorised under acceptance incident 298. This was achieved in spite of the serious Energis switch problem which generated a large number of NT blue screen incidents. The team is now focusing on one outstanding counter printer issue, which if resolved, will ensure that the level of reboots is well within the long-term objectives.

- The SIP16 release, which comprises of enhancements to the cash account and reference data elements completed the testing stages successfully and distribution to the live estate commenced 20th November as planned. No major incidents have been recorded to date.

- The EPOSS reconciliation facility, required for acceptance incident 376, has proven to be a stable enhancement throughout the main system test stages. The team is to be congratulated for delivering a high quality product in an extremely congested schedule. Unfortunately, we have also encountered a number of problems with the other applications upgraded in this software baseline and these have put the overall delivery plan under considerable pressure. We hope to commence distribution to the live estate during the weekend 18th/19th December and complete before Christmas but this will now be a challenge.

- We have now decided to implement Riposte 6 in the CI3 increment due to be installed at the end of March 2000. System testing of VPN, also included in this release, is now going well after a shaky start.

- Good progress is being maintained in the areas of analysis, scripting, migration, detailed planning and release rig preparation in B&TC.

- Progress during system testing of the main application release (CI4) which includes LFS and APSmart is frustratingly slow. We continue to experience build problems on the test rigs and although every effort is being made to recover the lost time I am not optimistic that we will be entirely successful. An initial evaluation suggests that this should not impact the start of the customer end to end testing (PET) because sufficient test cycles will have been completed to satisfy the entry criteria. Although not a reason to become complacent, it is encouraging to note that once the test rig becomes stable the applications themselves would appear to be reasonably sound.

- The forum set up specifically to address all known performance and scalability issues prior to the re-commencement of rollout in late January continues to meet twice a week. It is proving to be an effective method for maintaining visibility and management focus across all the programme disciplines and should ensure that the system has the capacity to handle the expected load.

- Resource shortages in certain key areas are now starting adversely impact the delivery schedule. Everyone is working very hard to ensure that the impact is kept to a minimum but this issue will require constant management attention.

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PROGRESS

- APS system test is approximately 2 weeks behind schedule and LFS system test 3 weeks adrift, both due to rig building difficulties. The direct interface testing (DIT) with HAPS and Siemens Metering Service (Quantum) is due to start in December. There has been no further progress with British Gas (SPM) and we are not hopeful that SAPADS will be ready. Although this is not good news and we are exploring every avenue available to recover the lost time, once the rig becomes stable the applications themselves would appear to be in good shape. This was borne out by the recent accelerated progress and successful customer demonstrations.

- The position regarding SPM has not changed and they are still planning to engage in February 2000. If this is late January/early February then we can probably contain the slippage. If it is later, we have suggested to Horizon that SPM be rescheduled to occur early in the AP Client Migration Programme.

- The EPOSS reconciliation enhancement delivery schedule was always extremely tight being driven by the acceptance demands and the desire to re-commence rollout 24th January 2000. The software has been robust with very few major defects encountered. However, several other enhancements were included in this baseline and these have caused some difficulties. The functional testing is due to complete 11/12th December followed by operational testing and distribution starting18th/19th December.

- System testing of the Data Warehouse is in cycle 2 of main pass and on schedule. All of the test scripts are achieving a very high success rate circa 99%. The late interception of the SLA measurement change for counter file delivery represents a risk to the finish date.

- The functional testing of the RODB deliverables (i.e. the Pearce enhancement to version 2.5 & the introduction of version 2.6) has been progressing reasonably well but a recent review of the client hardware platforms confirmed that they were not in a consistent state. They should all be on NT4 (SP3) with Y2K patches. The critical clients will now be upgraded before the start of national rollout and the other less important clients as soon as possible during the first few weeks of rollout. The loss of a key resource late in the test cycle has caused a 2 week delay to version 2.6. This has been mitigated by overlapping the start of the B&TC testing with the completion of system test. This will ensure that version 2.6 is available for the re-commencement of rollout.

- The VPN system test main pass report has been produced and issued for review. The rig has now been reset and final pass is expected to start on schedule. There are only 5 incidents residing with development awaiting resolution. KMS system testing is also making excellent progress both in terms of the number of scripts performed and the high success rate achieved.

- The system infrastructure activities (e.g. autoconfiguration, tivoli, audit, FTMS etc) are still progressing reasonably well but we are still experiencing problems with building cohesive software configurations. We have recently introduced a 2-stream handover mechanism which enables us to deliver a stable application platform whilst continuing to test the system environment software.

- Test analysis and scripting work continues for increments 3 and 4 for CSR+. An early 'trial of increment 3 has started on the large release rig to prove VPN migration. Test execution of increment 2.2 (EPOSS reconciliation) is still in progress. CSR live regression testing has been put on hold and the resources reallocated to system testing in the POCL Products delivery unit.

- The proposal for resolving the ISDN/Cisco router performance issue has been approved by the Change Control Board and will be implemented before April 2000. The performance and scalability forum, which meets twice a week, continues to address and monitor changes and improvements to reference data distribution, agent performance, overnight processing and system management.

- After several intensive reviews it has been agreed that Riposte 6.0 and desktop 2.2.3 will form the middleware baseline for CSR+. This is a change from the original plan and will put the existing manpower and hardware resources under considerable pressure.

COST DOWN

- There were no new initiatives in November although the team continues to exercise very tight control with both hardware and manpower resources.

CURRENT CRITICAL PROBLEMS

- A fault has been identified in the EICON card which supports the ISDN communications protocol. This is seriously impacting our ability to distribute software updates to the counters in an efficient manner. It is also responsible for generating many unnecessary and long calls resulting in additional network charges. We have implemented more diagnostics as requested by EICON and are in the process of upgrading the driver on the counter PC's as recommended by them.

- We recently received notification from Fujitsu that the PC's planned to be intercepted in the final stage of roll-out will not be backwards compatible. The Programme did not allow for any major regression testing activity of this kind, consequently if this cannot be addressed satisfactorily it will delay the CSR+ delivery schedule by anything up to 4 months.

ISSUES

- The speed and accuracy of the rig building process is not meeting the planning assumptions. The Development Management Team is seeking ways of improving this process and recovering any schedule slippage that has occurred.

- BT and Energis have indicated that there will be a significantly greater number of outlets not able to connect to ISDN than first thought. The model used by BT to establish ISDN feasibility would appear to have been flawed. They are suggesting that we should consider a satellite solution and this is being evaluated. We are also asking them to respond to us formally stating the precise position and recommending a way forward.

- A proposal for the lightweight mobile configuration required to operate in a variety of locations throughout the UK, has been submitted to POCL. A number of detailed questions have since been raised by them and responses given but progress is slow. This must be escalated to senior POCL management if a resolution is to be found early in the New Year.

- IBM has recently stated that they will support but not certify the current version of Tivoli running alongside NT4 (service pack 5) i.e. in the event of a fault they will offer workrounds but not necessarily fixes. The existing Programme Plan is not able to accommodate wholesale regression testing caused by upgrading to the latest version of Tivoli. Further meetings with OSD and the supplier have been arranged,

- POCL expect under the terms of the new agreement i.e. time and materials, to closely monitor our resource consumption during the design and development of any new product or service. Their expectations could put a huge burden on the administration resources within our Programme office.

COSTS

- The 1999/2000 development forecasts demonstrate that even with the additional development resulting from the rectification plans, costs remain under tight control and subject to regular financial reviews throughout the year.

Commercial & Financial Report

POST OFFICE
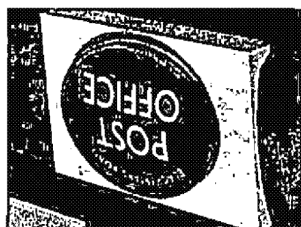
Commercial & Financial Report

MONTHLY SUMMARY

- The first roll out milestone payment for £105,162,500 including VAT was received by wire transfer on 3rd December. As for the Acceptance payment, this was two days ahead of the due date which fell on a Sunday.

- The focus of work has remained the resolution of residual Acceptance incident hurdles such that both POCL and Pathway are happy for roll out to re-commence on 24th January. POCL have confirmed that that is still their intention subject to being satisfied as to progress on AI 376 in particular.

- A 'Fourth Supplemental Agreement' is in preparation following extensive working sessions on AIs 376 and 408.

- Accounting integrity controls, allied to stronger Reference Data processes, represent a two pronged attack on AI376. POCL appear to have accepted in working session that the boundaries of responsibility for Reference Data are as we have set out, but agreeing the requisite changes to CCN562 will not be easy.

- POCL have come round to the understanding that dealing with residual AI376 concerns in the short to medium term dual will rely on processes and tools but no new software features as such. The

- 20th December is the target date for having all Agreements to Agree resolved (subject to reasonable endeavours). A small number will not have been resolved by that date. Just two are cause for concern: one relates to Reference Data procedures (subsumed within AI376 resolution), the other to service level reporting of transaction times.

- Activity with subcontractors (Workplace Technologies, Energis, OSD, Fujitsu) has continued, aimed at both cost down and quality of service.

- It is proving difficult to pin down De La Rue to close the termination settlement: the release of provision in December is now looking at risk.

- The refinancing arrangements should with a bit of luck be signed this afternoon or tomorrow, having squared various circles with the banks, their lawyers, POCL, ICL Group and Fujitsu. As indicated last month, the practical consequence is higher fees but more flexibility to repay amounts then draw down again between roll out milestone payments.

- The latest version of the Business Case model has been audited by Grant Thornton with no anomalies found. More work is however required on the part of Unit Controllers to check and confirm cost and volumetric assumptions for their areas of responsibility. This needs to complete before the January forecast.

- There is a meeting with auditors this afternoon to bring them up to date with progress on the project and to take them through the Business Case as it now stands. They need to end up sufficiently comfortable with the projections that the margins being applied for profit recognition this year can be upheld.

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PROGRESS

- First roll out payment of £105.2m including VAT received on time.

- POCL decided not to stop roll out on 24th November or ten days later having explored with us the way forward on outstanding AI issues.

- Business model audited with no anomalies found.

- Banking arrangements.

KEY LEGAL ISSUES

- Significant changes need to be agreed to CCN562, and it is not yet clear how POCL will react to our draft (which goes in today).

- Exchanges of correspondence on AIs 376 and 408, and respective on-going obligations, remain to be brought together into an agreed single document.

- Differences of interpretation over the precise measurement of service levels have crystallised. These need to be resolved quickly.

- Differences of interpretation over what Release Authorisation of CSR+ means have also crystallised. We favour release into pilot, they favour release following successful pilot into the estate at large. The contract envisages only one RAB but the inference is probably nearer to the second than the first. If we have to concede this, we must win objective critical success factor definitions as exit criteria for the pilot.

BUSINESS CASE

- Nothing significant to report beyond what has been said already in the Monthly Summary.

RISKS

- Principal risks remain, first, operational costs and LDs and, second, delay (to CSR+ and to roll out).

ISSUES

- Reference data end-to-end processes and controls. Getting better, but much work still to do to nail this difficult area, We need to satisfy ourselves that we can manage the various risks, as well as POCL.

- POCL's RFI for Network Banking, and the related politics, both between us and them and internally between PONU and Network Banking Unit will require considerable patience and skill to resolve in our favour. Pathway's Option B strategy depends on our doing so.

FINANCIAL PERFORMANCE

- The Controller's report follows.

COSTS

ICL PATHWAY - NOVEMBER 1999 FINANCIAL SUMMARY

PROFIT & LOSS ACCOUNT	Month of November 1999			Cum.	Full Year
	Month Actual	Month Forecast	Variance	8 mths to Nov 99	Forecast 1999/00
Revenue Billed	89.8	89.8	0.0	161.4	162.2
Project Cash Costs	(9.9)	(13.5)	3.6	(71.2)	(127.6)
Depreciation	(1.5)	(1.5)	0.0	(9.7)	(16.6)
Interest	0.5	0.5	0.0	(8.5)	(11.9)
"Raw" Profit / (Loss)	78.9	75.3	3.6	72.0	6.0
Utilisation of BPC Staff Cost Provision					3.0
Utilisation of Lease Cost Provision					5.9
WIP Adjustment	(69.9)	(66.4)	(3.5)	(57.4)	(0.4)
Release of BPC Provision				10.0	17.0
Declared Profit	9.0	8.9	0.1	24.6	31.6

Milestone Revenue billing and profit recognition was in line with forecast.

ANALYSIS OF PROJECT CASH COSTS

	Month of November 1999		
	Month Actual	Month Forecast	Variance
Direct Costs:			
Data Centre Operations	0.5	0.6	0.1
System Management and Field Service	0.4	0.7	0.3
Network Communications	0.3	0.3	0.0
Other Direct Costs	0.1	0.0	(0.1)
Headcount Related:			
Own Staff	1.0	1.1	0.1
Freelancers	2.2	2.2	0.0
Travel & Subsistence	0.1	0.1	0.0
ICL Sub-contracts:			
Knowledgepool	0.5	1.0	0.5
All others, including A&TC Individuals	1.1	1.2	0.1
Other Sub-contracts:			
Site Modifications (WT & Pearce)	2.0	3.9	1.9
Celestica Hangaring	0.2	0.2	0.0
Exel Delivery	0.5	0.6	0.1
Escher	0.3	0.4	0.1
All other Subcontracts	0.1	0.5	0.4
All other Costs	0.6	0.7	0.1
	9.9	13.5	3.6

Main variances caused, by lower than forecast invoicing relating to site preparations

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BALANCE SHEETS	Month of November 1999			Latest F'cast for March 00
	Month Actual	Month Forecast	Variance	
Contract WIP	75.1	78.7	3.6	132.0
Core Working Capital	60.3	56.8	(3.5)	(20.3)
March 99 Provisions - BPC	(20.0)	(20.0)		(3.5)
March 99 Provisions - Lease Costs	(37.7)	(37.7)		(31.8)
Total Working Capital	77.7	77.8	0.1	76.5
Fixed Assets	40.5	40.5		46.2
Cash / (Overdraft)	47.1	45.2	1.9	32.5
Net Assets	165.3	163.5		155.2
Share Capital	151.7	151.7	(0.0)	151.7
Opening Reserves	(168.5)	(168.5)	0.0	(184.2)
Earnings for Period	9.0	8.9	0.1	31.6
Shareholders' Funds	(7.8)	(7.9)	0.1	(0.9)
Long Term Debt	173.1	171.4	(1.7)	156.2
Capital Employed	165.3	163.5		155.2
Total Borrowings:	126.0	126.2	0.2	123.6

Net borrowings virtually in line with forecast, but lower inward invoicing levels
this month will generate favourable variances in the 4-6 weeksahead.

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SUMMARY of CASH REQUIREMENTS	Month of November 1999			Cum.	Full Year
	Month	Month		8 mths to	Forecast
£m	Actual	Forecast	Variance	Nov 99	1999/00
Direct Costs	(9.3)	(11.1)		(9.3)	(9.3)
Opex, and other project costs	(31.0)	(22.8)		(31.0)	(31.0)
Project Costs	(9.9)	(13.5)	3.6	(71.2)	(127.6)
Interest	0.5	0.5	0.0	(8.5)	(11.9)
Total Project Costs	(9.4)	(13.0)	3.6	(79.7)	(139.5)
Revenue Billed	89.8	89.8	0.0	161.4	162.2
Cash Outflow, re. 3/99 provisions					(6.5)
Core Business Working Capital movements	(89.2)	(85.8)	(3.4)	(81.0)	(0.5)
Fixed Asset Additions	(2.3)	(2.3)	0.0	(25.9)	(38.5)
Share Capital Increase				131.7	131.7
Total Cash Increase/(Decrease)	(11.1)	(11.3)	0.2	106.5	108.8
Opening total borrowings	(114.9)	(114.9)	0.0	(232.5)	(232.5)
Closing total Borrowings	(126.0)	(126.2)	0.2	(126.0)	(123.6)

Savings in project costs were almost totally offset by working capital variances.
Investment in fixed assets (mainly rollout related) was in line with forecast.

Customer Requirements Report

POST OFFICE

ICL Pathway	**Customer Requirements Monthly Report**	Ref:	PA/REP/044
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Customer Requirements Report

MONTHLY SUMMARY

- The "big three" Acceptance issues have been reduced to the "big two" with the clearance of 298 (Counter Stability). Actions have been developed for handling the issues on EPOSS Reconciliation and Reference Data sufficient to get us to the decision to restart the rollout on 24 January. There are new starts on Network Banking and Euro study.

DETAILED PLAN ACTIVITIES

ACCEPTANCE RESOLUTION TIMETABLE

- Progress against the 13 Acceptance Incidents, forming the core of the Acceptance Resolution Timetable, is reviewed below in Acceptance Resolution order. A Red Flag issue is that TIP has apparently not developed the manual input facility for low volume corrections.

- There is a short list of PinICLs that we must deal with to clear up the Acceptance Resolution Timetable and make it possible for POCL to approve clearance of individual elements. This will be circulated separately.

- A meeting to establish status and actions on 211, 342, 376 and 378 was held 7/12 with the POCL Acceptance Test Manager.

211: POCL commented to ICL Pathway on 1/12 that mismatches continued to occur for a number of reasons, that it required Payments and Receipts always to be in sync and that the incident was not ready for closure. A more detailed description of POCL's intent was provided on 30/11, in effect asking for Payments and Receipts to be forced equal through some form of automated suspense account entry.

The only current instances of Payments and Receipts being unequal are where the Horizon system has to inherit a manual or ECCO system that was unbalanced before migration.

The issue was discussed on 2/12 in a full forum and POCL reconfirmed its position that such unbalanced migrations were preferable to making an automated suspense account transfer.

Closure continues to be sought.

342: POCL commented to ICL Pathway on 1/12 that TIP references 986 and 995 had occurred and were awaiting analysis and rectification plans.

In the case of reference 986 the office was on an extended CAP, which should have been known to POCL. Reference 995 was caused by the outlet having fewer counters installed than were previously scheduled and the system controls will not initiate polling until all counters have participated in a first end of day. In summary, there is no problem with ICL Pathway software.

Closure continues to be sought.

390: The APS recovery software enhancement was distributed 29/11 and monitoring is now in progress as scheduled.

376: The POCL action to approve clearance of all incremental fixes installed by 14/9 from field evidence remains open.

The Pathway procedures for manual input were presented to TIP/TP on 1/12 and material for the test of manual input has been prepared. However, POCL has not performed activity 376.371 "POCL Develop and Test manual input facility" and so this is now a Red Flag issue.

Cycle 3 testing of the Additional EPOSS Reconciliation Testing started on 3/12 and should complete 10/12. Software distribution is scheduled for 17/12 about 10 days ahead of plan.

The measurements will continue for the period 2/12 to 12/1 and will exclude items that would have been prevented by a range of additional Reference Data controls being introduced before the rollout.

378: Improved diagnostic/defensive code has been produced and will be distributed at the same time as the Additional Reconciliation. There are no instances yet trapped.

369: Further tests following the 'Pilot' scheme were on schedule to complete 8/12. POCL is producing a report, which it will review with DSS on 22/12, including an analysis of impounded OBCS books and logistics of re-supply. ICL Pathway understands that POCL will request DSS to close this incident.

There were 119 impounds in the first three weeks. ICL Pathway understands this is a slightly lower rate than during the first pilot and that analysis of books by PIRA shows the quality of the offending printed bar-codes to be still poor.

POCL commented to ICL Pathway on 1/12 that it required an update on Pathway's investigations into the problem of bar-code reading after a manual scales transaction. An update was provided at the Delivery Meeting of 24/11. A PinICL to resolve the issue of scanning after manual scales is in progress. A simple workaround is available.

POCL also stated on 1/12 that Pathway had failed to produce statistics for the first two weeks of the four-week trial as agreed. In fact ICL Pathway had delivered the statistics POCL had asked for covering the first two weeks on 30/11. POCL has since asked for a daily level of analysis. The final two weeks totals will be available in a few days time - the daily OBCS transaction counts will also be provided.

John C provided POCL with a paper, which was well received, describing potential improvements to the OBCS scanner/bar-coding system.

372: A review of the distributions for Riposte 5.4.10 and EPOSS 3_20 rollup was conducted successfully. A final report on software distribution was provided 1/12.

298:    The target was that there should be no more than 560 qualifying incidents between CAP31 and CAP34. In fact, there were 551.5 qualifying incidents, including a spike of Blue Screen incidents associated with a major switch failure within the Energis network. The weekly incidents since the end of the monitoring period have remained below the equivalent weekly level of 140 incidents per week (89.5 for CAP35, 114.5 for CAP36, 94 for CAP37).

The review of Revisions to the Testing & Integration Approach for Pathway Release CSR+ was completed successfully.

Closure continues to be sought.

218:    All Pathway's actions were confirmed by POCL as completed, on 22/11. There are still some POCL actions not yet complete. The Performance Review Report has been produced.

There are two open Low incidents (364 & 365) linked to AI 218, relating to training mode and these may hamper closure of 218 itself.

CCN566a (Training Window) was approved 3/12.

POCL Post installation processes have been defined in Operational Performance Assessment, post installation questionnaires and training mode documents and processes produced. These will be implemented from the restart of rollout.

391:    The Wigan exclusion zone fence structure is complete and the alarm system installation is forecast 10/12, two weeks or so earlier than plan. Installation of the card access controls for the Wigan back gate is now complete. Fire regulation issues have hampered installation of the new palisade fence at Bootle: this is forecast to complete 17/12.

314:    The draft document (without Appendices) was completed ahead of schedule 22/11 and formally first reviewed on schedule 1/12. POCL wants to extend the reviews beyond the period planned. We have notified them that such extended reviews must be accommodated within the overall schedule.

408:    A new set of measures for calls answered within 20 seconds, cash account first and second line responses, and cash account script compliance have been agreed for the period 3/12 to 13/1.

412:    Closure continues to be sought.

CSR, CSR+

- Tony H has handled a number of awkward issues involving temporarily closed outlets. We have to report outlets carrying out transactions at a time when that outlet is reported as being closed, including temporarily closed. Also we must support the temporary closure of outlets, and subsequent re-opening, for example the seasonal Butlins holiday camp post offices. But where the closure lasts more than a few weeks the archiving of data causes the outlet, to lose continuity. The solution is at CSR+ and before that there is still an open problem.

- Dave J is progressing DSS-free versions of the security documents. The Security Functional Specification and Access Control Policy are now in review. Other documents in course of update include Security Policy, Security Management Procedures and Key Management documentation.

OTHER ACTIVITIES

- We have made a start on the Network Banking RFI and Pilot Requirements, and the Euro Study Change Request.

- Tony H extracted essential material required for the visit of the National Audit Office from archived BPS material. This covered Foreign Encashments, Business Rules and a chronology of CAPS interface specifications.

- DOORS: Dave H has continued to import some of the contract schedules and add in various links.

- DE Presentation: Gareth Jenkins and Dave H gave a short update on the Pathway project to the Southern Distinguished Engineers group.

- Centrica: Dave H has been providing help to the account support team.

- Workflow: Dave H chaired the November standards meeting and hosted demonstration by Japan Standards Association (JSA).

CURRENT CRITICAL PROBLEMS

- The Pathway (and POCL) actions to render operation of Reference Data during early rollout need to be completed, in particular the "Attribute Checker" and the associated new procedures for signoff.

- We are hopefully now into the true endgame. There are a number of relatively smaller-scale PinICLs/issues that have to be cleared down if we are to handle objections to approving closure of incidents on the Acceptance Resolution Plan. These will be distinguished as such.

- The Red Flag issue on the manual input facility for low-volume corrections could prove difficult if POCL's audit function assesses it seriously. We will need a contingency.

ISSUES

- None.

POST
OFFICE

5 Customer Service Report

ICL Pathway	**Customer Service Monthly Report**	Ref: PA/REP/044
		Version: 1.0
		Date: 20/12/99

Customer Service Report

MONTHLY SUMMARY

- Despite the stress of the acceptance period, November has been a good month overall for service operations. Service levels have shown a steady improvement and system reliability has been good.

- Since the time-out on the Eicon drivers on the Counters has been adjusted there has been a significant reduction in the number of excessive short calls from the Outlets.

- A major concern is whether the new requirement to migrate 2 AP Clients during Live Pilot can be achieved within the timescales. This has been raised with POCL as part of the response to the CSR+ replan.

- There was some slight relief in the workload pressure on the SSC, particularly over the last ten days of the month. The number of calls received in November was 865 compared with 1123 in October. SMC filtration remains a concern although implementation of a higher level of checking, prior to calls being escalated to SSC, has certainly helped to reduce the flow. SSC successfully achieved the clearance of the outstanding Counter index corruptions at some 300 Outlets a commendable achievement in co-operation with design and development.

- As part of the AI376 rectification plan, MSU presented to POCL TIP the incident management process for business critical incidents. Initial comments from TIP were favourable and they applauded the tighter management controls that ICL Pathway is introducing.

- POCL have requested a further 6-week monitoring period for those AI408 measures that were deemed as not achieved. This is to commence on Friday 3rd December and finish on Thursday 13th January. As part of AI408, MSU will be monitoring the performance of all 1800 Outlets with regard to Cash Account performance on a weekly basis.

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VITAL STATISTICS

Live Base: 1859 Post Offices, 4122 counters

Total number of OBCS transactions to date	21.3m
Total number of OBCS transactions in November	4.9m
Number of books impounded	33,824
No. of EPOSS Transactions to date	28.5m
No. of EPOSS Transactions in November	12.5m
Value of EPOSS Transactions to date	£617m
Value of EPOSS Transactions in November	£133m
No. of APS Transactions to date	5.0m
No. of APS Transactions in November	2.4m
Value of APS Transactions to date	£109m
Value of APS Transactions in November	£49m

PROGRESS

OPERATIONS

AVAILABILITY MANAGEMENT

SERVICE AVAILABILITY

- With the exception of Reference Data delivery for APS day D, all Minimum Acceptable Service levels have been met for November. This may be a measurement problem and is being investigated. There are currently no major service issues regarding uptime of any component of the service.

NETWORKS

- Since the time-out on the Eicon drivers on the Counters has been adjusted there has been a significant reduction in the number of excessive short calls from the Outlets.

- Eicon believe that the current connection issues will be resolved by upgrading the drivers within the Counters. This is currently under test and distribution to a sample of 200 Outlets is planned over the next few days.

- Projected network performance still remains a major issue. Terry Austin presented the 'get-well' plan last Monday. It will require an investment of approximately £400k in additional router infrastructure but will have little effect in equipment footprint within the Data Centres.

- Energis have promised to keep CS informed on the progress of their action plan following the congestion in the switch failover last month. An update will be provided next week in the service review forum.

BUSINESS CONTINUITY

- Progressing well. Another Data Centre failover test is being conducted this weekend. There is still a limitation on Tivoli capability from Wigan i.e. CS will be unable to do software distribution. However this is will be resolved shortly. Equipment has been identified within Feltham for Bracknell site failover and could probably failover successfully from now, but more work is needed on producing the complete written procedures.

- CS is in the process of agreeing a test schedule for next year. The CFM001 and SB001 contracts are being amended to define the CS requirements on OSD.

SOS

- Work is progressing on an update of the SOS contract. Kevin Dowling has formally written to CS to confirm that OSD's responsibility for remedies is limited to that through misoperation i.e. no responsibility for failure in support cover etc. The discussions continue. Vince Cochrane has permission to increase headcount and is also looking at setting up an NT support centre in North West, which would be beneficial for us.

SMC

- The lack of focus on the SMC part of the red alert is being addressed through weekly reviews. These are concentrating on software distribution tail management, event management and filtration. SMC will be presenting to CS on Tuesday 7th December the resourcing plan for the SMC. However progress has been made on tail reduction and event management.

Y2K

- Plan has now been produced for this period and OSD have put in some additional proactive checks, which will mean that positive alerts will be output rather than exception alerts. There are a few issues around ESNS operational schedule but these are on track to be resolved.

CHANGE MANAGEMENT

SOFTWARE DISTRIBUTION

- There was excellent progress in reducing the pre-SIP 16 tail to just 3 problem Counters.

- The major software releases between now and year-end are EPOSS Reconciliation (Dec 18th) Eicon driver upgrade (currently under test) and SIP 16 (activation of remaining Outlets).

REFERENCE DATA

- The third meeting of the Reference Data get-well plan was held last week. Attendees included Keith Baines, Tony Oppenheim, Mike Coombs and Martin Riddell. The meeting was very positive and hopefully increased the onus on POCL to produce specific action plan to address data quality issue.

- Data assumptions document has been sent to POCL. CS has received POCL Business Rules document and comments have gone back to POCL.

- There is a problem relating to change in passport price data received from POCL on 29th November. The price change was linked in to other changes for which additional work was required and for which we had an OLA of 4 weeks. The change is required for 16 December. There is a risk that we will be unable to complete this change for the 16th December. POCL have been informed and a response is awaited.

- SIP 16 data has been delivered to all outlets and a selected number have been supplied with the code and activated.

- Development work on CP2298, the change to RDDS/RDMC is reported to be progressing to plan.

SLA MANAGEMENT & SERVICE INTRODUCTION

APS/TIP

- There are no operational issues. However there is a concern regarding the lack of progress from TIP on issues such as OLA agreement, DR interim contingency arrangements etc. This will be raised again at the TIP Steering Group meeting on 8th December.

CTO

- No issues

AP CLIENT MIGRATION

- The major concern is the new requirement to migrate 2 AP Clients during Live Pilot and whether this can be achieved within the timescales. This has been raised with POCL as part of the response to the CSR+ replan.

- AP Clients are being visited without ICL presence, contrary to agreement.

PERSONNEL

- Paul Curley has now joined Availability Management and will have specific responsibility of Operational Support.

- RARs will be raised for an additional Reference Data analyst and Release Controller.

SUPPORT SERVICES

SYSTEM SUPPORT CENTRE

PROGRESS

- There was some slight relief in the workload pressure on the SSC, particularly over the last ten days of the month. The number of calls received in November was 865 compared with 1123 in October.

- Filtration at SMC remains a concern although the implementation of a higher level of checking prior to calls being escalated to SSC has certainly helped to reduce the flow. A short secondment of one of the key technical staff from the SMC to the SSC is also a welcome move. A comprehensive plan for how OSD expect to be able to improve the overall performance of the SMC is still awaited.

- The major technical issue during the month was to clear outstanding index corruptions from some 300 Outlets. This was successfully achieved though significant levels of overnight working were necessary.

- To support work in the area of AI369, a further set of reports on the number of OBCS receipts, redirections, issues and encashments at a defined set of Outlets in POCL's trial has been produced.

- The workload generated by calls, raised as a result of the Non-polling Report, remains a concern. With the exception of an Eicon issue no software problems have been identified.

- Staffing for the Millennium period (for SSC and OTT) is now signed off and the initial list of back-up support from Development units has been provided.

- Because A&TC have struggled to find appropriate candidates for the SSC (and OTT) vacancies, approval has been received for external recruitment. Hays have been briefed and CVs are promised.

ISSUES

- Out-of-hours support for APS not in place within A&TC. Immediate focus is on Christmas/Y2K arrangements and meeting has been set up with Terry Anderson to progress this.

METRICS.

For information, the previous month is also included.

	October	November
Total Calls raised through SSC	1123	865
Total Calls closed through SSC *	1070	1068

Total Calls passed to Development   332   454

(Of the total calls closed 510 were in categories (e.g. Advice and Guidance, Published Known Error) which should have been closed by SMC).

OPERATIONAL TEST TEAM

PROGRESS

- Especially in the latter half of the month attempts have been made to minimise changes to the prime system components to provide a level of stability for the final testing and release of SIP16. This has only been partially successful - a number of high priority changes (e.g. CP2150, which had contractual implications) have still had to be handled. It has been possible, though, to pick up on the RoDB Pearce testing.

- Initial elements of SIP16 reference data were downloaded to 20 Outlets over the weekend of 27/28 November and early monitoring shows no ill effects.

- Release introduction management activities are now encompassing EPOSS Reconciliation.

ISSUES

- Large CP developments are being delivered without sufficient integration testing by Development, leading to problems in OTT testing. No early resolution of this issue has been achieved.

INFRASTRUCTURE SERVICES

BUSINESS EFFECTIVENESS

- The name of the team has been changed from Business Process Engineering Team to Business Effectiveness Team (BET).

HSH/NBSC ELECTRONIC LINK FEASIBILITY STUDY

- Meetings have been held with HSH (STE09) and OSD OTI (MAN05) to provide Kainos with the technical information they required to complete the Feasibility Study. Other working contacts have been agreed with Kevin Dowling and provided to Kainos. Written input to the Feasibility Study has been provided on background, business scenarios and Interface Agreement principles.

WORKING WITH POCL ON SERVICE MANAGEMENT DEV'T

- The plan for 2000 was agreed. Nick Embling (POCL BSM) and Bob Davis will continue to jointly run the Service Management Development Steering Group. This will continue to report in to the Horizon Service Review Forum

MANAGEMENT SUPPORT

BUSINESS / RECONCILIATION INCIDENT MANAGEMENT

- As part of the AI376 rectification plan, MSU presented to POCL TIP the incident management process for business critical incidents raised by POCL or via the newly developed EPOSS exception report set. Initial comments received from TIP were favourable and they applauded the tighter management controls that ICL Pathway is introducing.

- Non-polled offices are still creating a large number of incidents. MSU are identifying where there is a specific system problem preventing the Outlet from polling. However there is still the problem where MSU suspect that Outlets are turning the Counter equipment off - evident from Mondays reports which contain 3 to 4 times the number of non-polled Outlets than other days within the week.

MANAGEMENT INFORMATION

- AI 298 monitoring has officially ceased, however MSU will continue monitoring the performance of ALL 1800 Outlets, albeit at a less formal level, as part of on going MIS reporting.

- MSU will also be monitoring the performance of all 1800 Outlets with regard to Cash Account performance on a weekly basis as part of AI408.

- The number of Ad-hoc queries received from POCL is steadily growing with MSU supplying the information within the 5-day time scale at all times during November.

DESKTOP I.T.

- All ICL Pathway staff will be on MS Outlook within a couple of days. The TeamOffice servers are being closed down on 8/12/99. Tim Patteson has performed an excellent job in making this happen.

- A disaster recovery trial will take place on 17/12/99 at Guardian.

STRATEGIC SERVICES

- POCL have requested a further 6-week monitoring period for those AI408 measures that were deemed as not achieved. During this period a number of SLAs must be met, as a minimum, 4 out of the 6 weeks. This is to commence on Friday 3rd December and finish on Thursday 13th January.

- The SLAs being monitored are as follows:

- Calls answered within 20 seconds.

- Measures for the Cash Account Period (Wednesday/Thursday) have been revised as follows:

- Availability of trained staff to answer a Postmasters query.

- 100% of calls answered by a person trained in using the cash account scripts.

- No more than 5% of calls must cause a ring-back to the Postmaster due to the first level resource exhausting their knowledge and a higher level resource not being available.

- Where a ring-back is required as described above it must occur within 20 minutes.

- In order to determine that the HSH has diagnosed the query correctly and therefore answered the query correctly, Cash Account calls are to be recorded via tape recorders. The tapes are to be used to calculate conformance to the use of cash account scripts. The target is 95% conformance.

- In order that a measure of understanding of the postmaster can be recorded, the HSH will ask and record the answer to an additional closing question of the postmaster. This should be, "Do you now have enough information to carry on through the Cash Account Process?"

- Since the completion of the recent roll out period call volumes have changed significantly. The table below shows the change in call volumes received from live outlets in the last 8 weeks.

Week Beginning	04/10	11/10	18/10	25/10	01/11	08/11	15/11	22/11
Calls Per Outlet	3.07	2.80	2.94	2.57	2.30	1.62	1.39	1.25

- UKSS have raised an issue of concern with Devlin Electronics. In October UKSS returned 118 keyboards of which 53 were no fault found. The keyboard failures are in the area of the keyboard RAM and swipe card facility. A suggested workaround is a reboot of the counter. Further investigation is being conducted with Ian Openshaw.

- Dave Fletcher and Bob Davis will meet with POCL on the 9th December to begin the definition of an interface agreement between the HSH and NBSC and to gain a better understanding of each other's business.

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Quality & Risk Report

Quality & Risk Report

MONTHLY SUMMARY

- Security Acceptance incident. Actions are progressing to plan.

- Security. The work involved in defining KMS processes is moving ahead; the approach to user acceptance is beginning to be defined.. Anti virus software is being installed on peripheral system pc's as a stop gap whilst a technical solution is defined..

- Risk Management. Implementation risk has reduced significantly with the experience of the first 1800 offices. Process and WT issues are being addressed. A common risk approach is being discussed with PFI Group.

- Quality. The achievement of ISO9001 registration by September 2000 is now the major objective. A programme of work is being defined with representatives from all Directorates to drive through.

- Continuity planning. A Crisis Management Plan Overview is being produced. The contract with Guardian for the Disaster Recovery site has been re-negotiated.

- Audit. Corrective action plans for all the 1999 audits are being followed uo – progress on all, somewhat slow in some areas. There are still issues with OSD support for the Audit solution.

- Y2k compliance. The major activity has been the drawing together all the 'health check' plans, and definition of escalation routes. QRM staff will be on call during the period to respond to any virus issues, which has been identified as a major risk. There is still a major deficiency with OSD contingency plans.

PROGRESS

RISK MANAGEMENT

- Implementation risks. The risk register has been reviewed. The overall risk is decreasing and becoming more specific with the hard experience of the roll out of the first 1800 offices. Major risks remaining include:

- WT performance continues below the required standard

- Other risks around state of the offices for installation eg ISDN lines

- Completion of contingency plans

- Training inefficiencies and impact on Help Desk calls

- Ads-hoc analyses. Correlation between Advice & Guidance calls logged with the HSH and training. Initial work has indicated that the existing data is not detailed enough and more analysis is needed.

- Discussions have started with the PFI Programme Office, with the objective of establishing a single risk approach, using Predict!

SYSTEM SECURITY

GENERAL

- AI391. Site security improvements at Bootle and Wigan continue to plan.

CSR

- Corrective actions identified on the Security Policy Deployment Audit are being addressed.

- SEM monitoring/refinement is continuing and procedures updated. Completeness of event identification over all platforms is being checked.

- For several months, a technical approach to providing up to date anti virus software on peripheral pc's on the live estate has been sought. This has not progressed sufficiently to address the Y2k risk. A temporary manual installation of the software is now planned.

- There is no specific contingency plan for emergency administration of firewalls in the event of a denial of service, particularly during the Millenium Holiday Period (MHP). It is proposed to establish a secure central repository of contact details, passwords and access control codes to mitigate against contingency risks.

CSR+

- Technical penetration testing. The scope, resourcing, timescales and responsibilities have been identified. The next stage is to discuss with Horizon and prepare test scripts with Admiral Testing Services.

- KMS User Guide. Work on producing this continues to plan. The complexity of management the security of the keys across the estate is beginning to emerge and will need considerable attention before go-live.

QUALITY

- Post Office DQA. A report was presented to Implementation with observations from 23 visits during installation. WT gave most cause for concern with some specific comments for Exel, BT and Celestica.

- Disaster Recovery plans. SMH plans continue to be progressed. A scenario was run through with the Management Team. The result was the production of a Crisis Management Plan overview and some restructuring. This will be reflected in the detailed SMH plans, and another run through conducted early in 2000. The contract with Guardian has been re-negotiated (reduction in cost) and the disaster recovery site will be at their Theale (Berks) facility from about March 2000.

- ISO9001. This achievement of certification by Sept 2000 is now the major objective. A Programme Board is being established with representatives for all Directorates. Initial gap analyses are underway to define a programme of activity.

AUDIT

Internal audits:

- CSR+ development audit. Considerable discussion has taken place, which will result in a CAP in December.

- Corrective Action Plans. A number were reviewed during November:

- Customer Services. Progress has been slow but steady.

- Security Policy Deployment. The recommendations are being actioned.

- Change Management. 6 of the 12 recommendations have been closed.

- Implementation. Good progress; 14 of the 19 recommendations have been closed.

- Internal data provision. Considerable effort in responding to requests for audit data from SSC.

- Audit Solution. We are still having problems with OSD support. There are 14 outstanding audit problems, and it is unclear who is managing their activity.

- Upgrading of On-Line Standards. This was handed over to Development 5 months ago. Migration to the Internet took place in November, with no updating ie the transfer took 5 months!

YEAR 2000 CONFORMANCE

- The main activity has been in the production of 'health check' plans for the early days of the New Year. A Pathway Millennium Co-ordination Centre is being established, to operate over the Millennium Holiday period and link Pathway to the Group and other Businesses on Y2K issues. All of the detailed plans will be incorporated into a single plan to give an overall picture. Ina Honnor will be on duty in Feltham during this period.

- Group Security have flagged that there is a high risk of new viral forms or other form of attack. A global network of security related information is being established to provide "early warnings" and NAI will be providing 24 hour cover on high risk days. There are a number of important platforms on which we either do not have anti-virus software or have old versions. CPs to address this are proceeding too slowly. Graham Hooper and Chris Billings will be on call during the first three days.

- The lack of progress in OSD continuity planning is an issue. A major example is Oracle financials, which has resulted in Pathway considering its own back up plans.

- Last minute non conformances are crawling out of the woodwork eg Firewall systems in FEL01 and BRA01.

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ISSUES

- Anti virus software on the live estate.

- Emergency administration of firewalls.

- SecurID Remote administration is still not complete.

- OSD support continues to be an issue. This has occurred in 2 areas – the audit system and lack of co-operation with requests to provide evidence of contingency plans and support for Y2k activities.

- Coverage of the Millenium plans is not yet 100%.

Business Development Report

Business Development Report

MONTHLY SUMMARY

- We have re-engaged with Post Office Network (PON) to start to discuss and agree how we will work together to deliver new requirements in the future. Alan Barrie and some key members of his team visited Feltham. We proposed a way of working and they are now considering this with a view to getting agreement within the business.

- Post Office have issued an ITT for the supply of 3,000 ATM's and associated services. ICL Financial Services have responded to this with a services expression of interest. We are also involved through some of the banks. It is questionable at this stage whether or not the banks have the appetite for this broad business. The terms of the ITT would be unacceptable to most, if not all, banks.

- Post Office Network Banking team have issued an RFI form counter based banking facilities. I have asked Financial Services to again lead on this for political reasons. We are supporting FS in bidding both of these opportunities. This RFI is a technically driven document promoted by Basil Shall. It calls for systems to be run across the Horizon platform but the Network people are in 'catch up' mode. There is very little evidence of business requirement. Response is due in by 20th December. We are working with ICL FS to create and document an integrated end to end solution utilising both Horizon and, where appropriate, ICL Lifestyle components.

- The Post Office announced its half-year results, with a loss of £386m. This was put down mainly to the write off of £570m for Horizon where they needed to take the hit up front as they could not see the business return over the life of the contract. There was no effect on ICL Pathway and no calls from journalists were received.

PROGRESS

Business Development:

- Service Development: Initial PON / ICL Pathway service development workshop was held. This was a good interactive session. It will be a few months before PON finalise how they want to work with us, but indications to date are encouraging.

- EMU: PON have circulated the specification internally to ensure that we receive the support and resource from PON that will be necessary to undertake the feasibility study successfully. We are expecting to receive the specification in the next few days which will probably be worth ~£100k in analysis work.

- Scales: We commenced dialogue with PON on the implications of their adopting a combined packet/parcel electronic scale at the counter. Key point in the discussions is, as for EMU, how we will work together to deliver the feasibility study.

- LFS: We hosted the first workshop where we demonstrated the LFS counter

functionality to the PON LFS team. The session was well received with no issues being raised against our interpretation of the specification

Marketing Communications:

Internal Communications in ICL Pathway

- The key milestone of 1,800 migration was communicated within ICL Pathway and ICL; this involved a number of audiences – ICL Pathway staff, ICL staff via CASCADE and CafeVIK.

- The Christmas edition of Brief EnCounters, which is due to distribution w/c 13th December, is being prepared.

- Working is on going with Excellence Awards within ICL Pathway.

- For Children In Need, held a number of activities for staff members to take part in. These included a 6-A-Side football tournament and a dress down day. To date, over £1,000 has been raised

External Communication

- Work is underway with ICL Corporate on Exec Relations. ICL Pathway is considering the different events available against the target audience within the Post Office

- Chrissie has attended a couple of meetings regarding the new approach to 'intranets' and CafeVIK. With the introduction of VIK2000 Intranets will no longer be available. 'Communities' is the new methodology, which is a lot easier to control and manage. There will be two communities for ICL Pathway:

- ICL Pathway

- Post Office Virtual Account Team (Kieran)

- These community sites up and running by mid January 2000.

POCL Communications

- Post Office Network review meetings continue. We have now held a joint meeting between the ICL Press Office and Post Office Network to agree a way forward on joint press articles for next year. ICL has tasked it press agency 'FireFly' to draw up a plan that both parties can agree to. The first joint release looks like the '2000 post office in the year 2000'.

Government communications

- The Government's Performance & Innovation Unit(PIU) visited ICL Pathway on 25th November. It proved to be a very successful session, with about 3 members attending, along with a number of representatives from the Post Office. The PIU are due to produce a report in February. Their main focus is on the social aspects of the post office network.

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- Alan Johnson, MP (minister responsible for the Post Office) visited on 6th December and David Drew, MP (Stroud, Labour), visited on the 7th December. Again, both proved to be successful events. Alan Johnson asked for a similar event every six months.

International:

- Two pieces of consultancy work are underway with Deutsche Post, one looking at their application architecture, the other at security threat analysis.

- The Namibian development is on-going and is to plan. The ICL Pathway resources are now reducing although there is the potential for a six-month secondment as the current project manager leaves in January.

- CTT, the Portuguese Post Office visited for two days in November. They went away impressed by what they saw and heard. Descriptions of potential work packages are now with ICL Portugal for discussion with CTT.

CRITICAL PROBLEMS

- None

Implementation Report

ICL Pathway	**Implementation** **Monthly Report**	Ref: PA/REP/044 Version: 1.0 Date: 20/12/99

Implementation Report

MONTHLY

- Programme status within Implementation has improved during the reporting period, making use of the 11-week lull in installations to address weaknesses identified during the 12 weeks of rollout in the last quarter of 1999.

- The concerns over training scheduling have been addressed and POCL are now satisfied with the status of scheduling. The other area of previous critical concern, the quality of preparations work, has also improved following the take-over of Workplace Technologies by ntl. There is still much work to be done in this domain but the progress achieved in the last month indicates that material improvements will be available for the re-start of rollout.

- The intercept of the next PC baseline is currently the most critical concern for Implementation, following a specification mismatch with the targeted platform although there are two options being pursued to resolve this. Time is the critical factor and therefore the aim is to have decided on a replacement, and have planned the intercept critical path prior to the Xmas break.

- Issue levels in the early weeks of Year 2000 rollout will be the barometer for determining the success of the improvement programme undertaken by Implementation during the 11 week break. Performance tracking is well established in order to track and respond quickly to this. Prior to re-starting rollout, it is anticipated that improvements in processes, tools, the status of scheduling and the detailed planning from suppliers and internally, will ensure our general readiness to re-start and sustain rollout from 24 January 2000. Although some issues remain, it is considered that this are manageable and that the contingency maesures taken will protect against any of these issues impacting the success of rollout.

PROGRESS

- Staffing within the Implementation directorate remains satisfactory. A further 7 staff have been approved taking the peak headcount profile in March 2000 to 110 staff. These staff have been positioned, for the short term, to strengthen the team in the area of installation programme management and preparations quality management. Impact to the Implementation forecast has been neutralised through improvements to the overall headcount profile.

- The Infrastructure programme continues to make steady progress and is now considered to be entering the tail end although this may last for approximately 6 months, depending on the rate at which POCL can release suspended outlets into the programme. Agreement has been reached with ntl (previously Workplace Technologies) to extend their contract for survey and preparations) by 3 months to cater for the tail in the programme. POCL have committed to providing a plan for the release of suspended and remaining outlets to enable Pathway to conclude their commitments with sub-contractors.

- No installations have taken place during December although it is planned to install a temporary Horizon outlet in the Millennium Dome during 16/17th December 1999. The system is effectively live as of the 17th December although training will take place in the week commencing 20th December and the system will be first used on 30th December. The installation programme will re-commence on 24th January 2000. Recovery of scheduling backlog, from the period where the 16 week cycle had been compressed into a 12 week period, has made good progress and will be fully recovered prior to the re-start of rollout next year.

- The new software build has completed Celestica validation and building of the 3 week buffer stock has commenced such that the new build will be rolled out from the re-start of rollout.

- A feasibility study looking at re-sequencing rollout by RNM clusters rather than BA districts has been concluded and has determined that the change can be undertaken without a major impact on rollout or RODB development change. Consequently, it is anticipated that Pathway will soon receive approval from PONU to undertake a re-sequencing of rollout on this basis. This will attract revenue of £50,000 for Pathway. The change will be completed by 10th January 2000 in order to ensure it does not impact the re-start of rollout and to minimise risk to the programme. The first outlets installed in this sequence will go live from 1st May 2000.

- Implementation of all actions from AI218 have been completed, the customer has accepted the work is complete and has closed down the incident. The first preview training event will take place in January 2000.

- Training scheduling demonstrations have been completed with POCL and confirmation has been received that they are now satisfied with the quality of training scheduling.

- The training system upgrade programme to increase the training platform hard disk and memory is well underway and on schedule to be completed prior to the end of the Christmas break.

- Implementation have been engaged in an external audit by PA Consulting on behalf of the Post Office for the last month. The audit has been completed and the initial feedback was that the rollout is robust and satisfactorily planned and prepared ready to start and sustain rollout for the duration of the year 2000.

IMPLEMENTATION STATISTICS (TO 10TH DECEMBER 1999)

Activity	Cumulative
INFRASTRUCTURE PROGRAMME	
RGM letters issued	17,563
Site surveys undertaken	17,131
Site re-surveys required	6,647
Site re-surveys undertaken	6,489
Site modifications done	4,945
Site preparations done	10,537
Sites RFI	9,965
INSTALLATION PROGRAMME	
RGM2 Letters issued	5,539
ISDN lines installed	2,471
Sites installed	1,864
Sites migrated and Live	1,856
Counters Live	4,096

CURRENT CRITICAL PROBLEMS

- In the second half of the year 2000, Pathway has planned to intercept the next generation Fujitsu PC to replace the X365 model, the baseline for the Horizon rollout. A replacement is required as a result of the need for component last time buy in June 1999. The Fujitsu Xdi+ model had been designated as the replacement and the outline specification met the Horizon platform requirements. Following publication of the detailed specification for the Xdi+, it has been determined that Horizon LAN and video drivers cannot be supported by the next generation PC. This is the same for all Tier 1 PC suppliers who are following the PC99 format.

- Consequently, Pathway must make an urgent decision whether to undertake driver development or find an alternative PC supplier to replace the X365 model, which is now regarded as old technology. Risk assessment of the alternatives is underway and the options include Tier 2 PCs that match the requirement, development of video and LAN drivers or ensuring the Horizon software baseline can intercept future technology updates.

- Previous reports have highlighted Workplace Technologies quality of work in the completion of preparation activity as being a critical concern. This situation is now improving, following the acquisition of Workplace Technologies by ntl, although not fully resolved yet. (Note: Workplace Technologies are now fully integrated within ntl and their trading name is ntl). Two workshops have been held between ntl and Pathway, attended by the MDs of both organisations, with the objectives of improving the relationship, improving the quality of work and achieving the programme milestones. The progress achieved at these two workshops has been very good. Both teams are being led by new project managers and with direct reports into their respective senior management. The respective organisations have, through consultation, agreed to targeted, small changes in the team structure and additions of skilled resource in weak areas. Jointly agreed plans for process improvement have been created as output from the workshops and are in the process of being implemented. It is anticipated that, as a result, the degree of risk to the programme will be significantly reduced and the seeds for a positive, forward-looking relationship are in place. This has only been achieved due to the support of ntl, which had not been available previously, and explains why previous efforts to resolve this concern had not been successful.

- Until such time as the benefits from this activity materialise, however, it will be necessary to continue providing contingency support for installations. This can only be measured once the installation programme re-commences o 24th January. In the meantime, a judgement will be taken anticipating a degree of success such that reductions from previous contingency levels can be implemented.

- Training scheduling is no longer considered as a critical concern. POCL have witnessed demonstrations of the revised training scheduling capability and are satisfied that this is now in a satisfactory condition. A report to that effect is expected from POCL before Christmas.

ISSUES

(Including progress on issues reported last month)

ICL Pathway	**Implementation**	Ref: PA/REP/044
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- Incompatibilities in the RODB end user platforms have been identified during the live release of the RODB Pearce software. This is being resolved by bringing forward the rollout of NT platforms to all RODB users for the Secure managed Environment, originally due next March. The RODB Pearce release was consequently delayed to avoid creating further issues but will be introduced to the live RODB service in the first week of January. This release will remove many of the RODB issues currently being raised by our suppliers.

- Ntl have yet to achieve a full 5 week clearance between re-checking outlets and their due installation date. This is essential to minimise on-the-day installation issues once rollout re-starts. However, progress is being made and the recent workshops with ntl indicate that the barriers preventing further progress are being removed. Currently the first three weeks are largely complete and it is anticipated that the majority of the 5 weeks will have been achieved 2 weeks ahead of schedule leaving a small percentage to be addressed in the New Year.

- Discussions are underway with other PFI programmes to determine the feasibility of having a single professional unit to manage rollouts across a number of programmes. Pathway is regarded as the most likely centre of excellence for large rollouts and is key in this approach. A strategy paper is being drafted to determine the most effective way of managing this without increasing risk on individual programmes.

COSTS

- Funding for contingency measures (spare installation teams and staff to respond to snagging items during installations) will be added to the Implementation forecast for the initial weeks of rollout. This is necessary whilst a measure of improvements in the preparation quality is assessed although a degree of improvement has been anticipated and reductions in contingency levels have been made.

- During the last month, a £750, 000 impact has been absorbed into the Implementation forecast, to cater for the costs incurred by the additional 5 week gap over Xmas 1999. This has been achieved with neutral impact due to it coinciding with a review of the training costs in the tail of the installation programme (OBC), where estimates had been previously based on full beat rate.

- Cost impacts for the training system upgrade programme, to a total value of £350K, have been included in the forecast this month.

- A headcount profile review has been undertaken in the last month resulting in a net cost reduction. Although some increase in headcount have been approved to de-risk the front end of the rollout profile, improvements and more detailed planning in the tail of the programme have more than absorbed this impact.

- The Implementation budget has now been divided into main Implementation rollout and OBC rollout, in readiness for handing the management of OBC over to Customer Services.

- The current Implementation forecast, including main rollout and OBC, remains at the levels reported two months ago.

Organisation & Personnel Report

ICL Pathway	**Organisation & Personnel** **Monthly Report**	Ref: PA/REP/044 Version: 1.0 Date: 20/12/99

Organisation & Personnel Report

MONTHLY SUMMARY

- Activity increased in relation to Millennium Holiday Period (MHP) resource plans. The majority of managers were briefed and provided with packs made up of related collateral and letters for distribution to their staff. Acknowledged signed acceptances of the MHP terms associated with on-site, standby or call-out cover were being returned to Personnel from the individuals in question during the last few days in November.

- Recruitment activity continued, mostly on a replacement basis, but with some new posts being approved in Implementation and Customer Service to allow additional support for National Roll Out and the consequent increase in estate size.

PROGRESS

- Appointments in Novemver:

External Recruits	0
Transfers	0
A&TC	4
LINKwise	0
Freelance	2
Tem/Fixed Term Contracts	0
Total:	6

- Known Joiners:

External Recruits	0
Transfers	1
A&TC	2
LINKwise	0
Freelance	0
Total:	3

- Offers outstanding:

External Recruits	2

- Leavers in November:

Permanent	3
Freelance	4
Temporary(FTC)	0
Transfers	0
Total:	7

- Millennium resource plans have almost been finalised with Managers being briefed and letters distributed to individuals providing on-site, standby or call-out cover. The last few days of the month saw the return of letters from individuals acknowledging and accepting the terms associated with Millennium Weekend Working.

- As the demand increases for staff to work additional hours to meet business requirements, in particular CSR+, ICL Pathway will be temporarily mirroring A&TC's Additional Hours Framework until Group HR release a One-ICL policy for Additional/Unsocial hours. The majority of ICL Pathway managers have been briefed on the Framework and mechanisms put in place to ensure control and efficiency.

- In addition to Millennium plans, there is a business requirement to provide limited call out cover during the period 26th to 28th December 1999. Customer Service are providing core resource with Systems Directorate functions providing support services, primarily 4th line support. The A&TC Additional Hours Framework will form the basis for payment over this Christmas Weekend. Managers are confirming requirements back to Personnel for consolidation and implementation.

- Whilst good progress was made in October in respect of managers returning Professional Variable Pay objectives, approximately half a dozen remain outstanding. Active steps are being taken to ensure 100% is achieved.

- Following last month's meeting with representatives of the ICL Project Management Community, letters to individuals confirming their official alignment to the professional community will be issued shortly.

- Recruitment activity continues. Whilst many vacancies relate to the replacement of leavers, some new positions have been approved in principal at OMRs in both Customer Service and Implementation in response to National Roll Out and support for the increased live estate.

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- We have held a series of meetings with A&TC Skill Set and Career Managers to improve their understanding of ICL Pathway resourcing requirements. We have also worked with A&TC to improve our job descriptions and provide additional ICL Pathway collateral to help facilitate recruitment action.

Post Office Client Report

ICL Pathway	**The Post Office · Client Director's Monthly Report**	Ref: PA/REP/044 Version: 1.0 Date: 20/12/99

The Post Office - Client Director's Report

MONTHLY SUMMARY

- The new initiative for eBusiness has been reviewed with PO's Business & Commercial Strategy Director.

EBUSINESS

- The new initiative has been reviewed with John Dunlop and some follow-up questions answered. PO eBusiness group are now pulling together all their thoughts in this area for review at PO Exec Board 23 December.

SERVICE MANAGEMENT PRODUCTIVITY PROGRAMME

- The Initial Discovery Phase Has Uncovered A Wide Range Of Opportunity Areas For Service Management Improvement Across Post Office It Services. These Are Being Consolidated Into Plans And Proposals For Review And Agreement With PO Over The Next 2 Months, With The Goal Of Achieving A Substantial Services Order By Company Year-End. The Immediate Requirement For An Asset Register, Prior To April 1 When PO It Services Take On Responsibility For All PO Desktop PO's, Is Being Developed Using Peregrine Software.

MODERN GOVERNMENT

- The general pace of development across government remains painfully slow and Post Office remain buried in the implications of setting up the new business units: Government Gateway does not appear to be a priority. A number of potential joint initiatives continue to be put to PO eg Smartcards for Newcastle City's Distinct project.

SMARTCARDS

- Ownership of the smartcard opportunity has now been returned to Network Banking, to the consternation of the Govt Gateway team. PO Research group are working on their mandate to procure smartcard systems for all 200,000 Post Office employees for internal use, with considerable assistance from ICL, but have yet to articulate a business case.

Microsoft

- MC are bidding against Computacenter to win an Enterprise Agreement for supply of all Microsoft products. Microsoft are pushing to conclude the negotiations and have "recommended" ICL. The ICL proposal goes in from MC on Dec 16th.

TECHNICAL RESOURCING

- This contract, for bodyshopping, is administered by ICL Govt Div who have proposed revised pricing, as the contract allows, after the first anniversary. As A+TC substantially increased their rates after the original contract was let, Govt Div are now proposing an average 25% rate increase.

NEW BID - HELP DESK OUTSOURCE

- This bid has been cancelled by PO.

COST DOWN

- No change.