

TO:

SECRETARY OF STATE

FROM:

DAVID SIBBICK  
DIRECTOR-POSTS

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GRO

cc PS/Mr Johnson  
Mr Davis Hd/CGBPS  
Mr Fraser IBB  
Mrs Britton PORT  
Mr Hosker FRM  
Mr Hopkins CII  
Mr Fincham FRM  
Mr Francis CII  
Mr Whitehead CGBPS  
Ms Anderson CGBPS  
Ms Johnson SOLS

31 July 2000

**LETTER FROM ICL: TIMING OF PUBLICATION OF NAO  
REPORT ON CANCELLATION OF THE BENEFIT PAYMENT  
CARD PROJECT**

1. George Hall, Director of Corporate Affairs at ICL wrote to you on 30 June to express concern about the timing of publication of the National Audit Office study on the cancellation of the Benefit Payment Card (BPC) project. ICL wanted early publication to minimise the adverse effect on their planned flotation in the autumn of a report which shows the company's performance on the Horizon project in a less than flattering light.
2. The decision on whether to publish this side of the summer recess was taken right to the wire by DSS determination to play hardball with the NAO on drafting amendments prior to acceptance of the report. In the event a compromise text was accepted last Wednesday, which allowed the report to be placed before Parliament (on Thursday), in turn clearing the way for publication on probably 10 August. We made sure that DSS and NAO were reminded of ICL's concerns throughout the final negotiations, and ICL were kept in touch with the developing situation. It would however be appropriate for you now to write briefly to the company expressing satisfaction that an outcome which meets the company's concerns has been achieved. A draft is attached.

DAVID SIBBICK