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**FROM : PETER SCHOFIELD**  
**DATE : 3 March 1999**  
**EXTN : GRO**  
**ROOM: 25/G**

**SARAH MULLEN**

cc : APS/Chief Secretary  
Steve Robson  
Harry Bush  
Adrian Montague  
Robert Ricks  
Alan Mawdsley

**BA/POCL**

Just to record, Steve Robson chaired a meeting with BA and POCL yesterday. Present were Sweetman, Evans and Rego (POCL), Gaskell (BA), McCorkell (formerly BA, now ITSA), Sibbick and Anderson (DTI), Graham (DSS), Crump (CITU) and Robert Ricks.

2. We handed out the attached description of our new approach to the Horizon project.
3. We agreed that the next stage would be for BA and POCL to work up what they called a "customer proposition" - this sets out what the system is intended to deliver for the customer. They agreed to have this done by close Thursday. They would then work up the technical specification on the back of this by the end of next week.
4. We agreed we should aim to meet ICL at the end of this week or beginning of next. This would be an opportunity for ICL to set out their view of how the system would work.
5. Steve made it clear that we are looking for the parties to make the running in the discussions with ICL so far as possible. Stuart Sweetman seemed keen to take the lead in the discussions, and generally seemed quite positive about the new approach - he said that in many ways it fitted well with his commercial strategy. His main concern, unsurprisingly, was over the envelope for the commercial terms - both between the public sector and ICL and within the public sector between DSS and POCL. On the former, we said that ICL had been

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told we were looking for them to accept the same NPV loss as they agreed just before Christmas. On the latter, we said that it was for the parties to agree.

6. Vince Gaskell also seemed quite positive about the new approach, and there was generally quite an upbeat feel about the meeting, in contrast with the couple of meetings we had before Christmas! Gaskell suggested that we should aim to have taken a final decision on whether to pursue this approach by 12 May, which is the next deadline in the Horizon programme - this is the date when the number of post offices equipped with Horizon is increased, and the new batch of hardware is due to be delivered by Pathway.

**PETER SCHOFIELD**  
**PEP**

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