

**PA REPORT - FIRST DRAFT****A GAPS**

- Any obvious "golden rivet" solutions? → no mention of the "one key thing..."
- No mention at all of CAPS and its part to date (glaring!)
- No mention of TMT/TSG/Horizon links within POCL (ie our own automation programme planning)
- No mention of common workload models for volume linked - ICL guarantees - unless BA are using different volumes?
- Limited analysis of policy context for the programme in the first place (underplayed) - hence strange comments about partial network automation and the economic value of some post offices

**B CLARIFICATIONS**

- What's your definition of "end roll out" please?
- BA's low confidence in POCL to deliver (+ DSS "at the top") - what's the source?
- What about role of PDA Board, if any, given PSC recommendation?
- What do you mean by strengthening "key management roles" (too vague) - advice to whom specifically?
- What does separation of ICL's and PDA's delivery/contract/business development management" mean?
- Why didn't you take up our offer to see more/other POCL people? (eg Dick/Dave Morpheus/Lesley Lawson - Dave Smith?)
- What does "explore alternative boundaries" mean in recommending a single business case?
- Be more explicit about "no shared view of root causes" statement?
- Where's the £100m" extra costs to BA number sourced?

**C CHALLENGES/AREAS FOR DISCUSSION**

- PSC taking a hands on executive role - is this realistic?
- "A programme that has been out of control in the past" - whose programme? is this wholly true?
- Do you really mean "common business case!" - or is it more towards the idea of a common set of quantified aims and budgets cross-programme?
- Assumes POCL's business case is basically OK - not true (underplays POCL massive profit strain and linked points to our competitive position and our own automation programme - did PA see complete set of right POCL people?)
- Says POCL is a monopoly supplier - not even "preferred supplier" to BA except in a retail context!
- Finance reports are taken regularly by PDA Board → + CASG Reports within the Post Office also monitor finance position regularly
- Incomplete view of extent of "longer term implementation planning" already in place?
- Weren't "agreements to agree" resolutions handled in fact by separate resource from contract delivery within ICL and PDA - how distracting really was this?

PAUL RICH (Mena's input)  
5/9/97

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Horizon: ICL/Post Office Meeting

5 September 1997

148 Old Street

Attendees

Post Office - John Roberts, Jerry Cope, Richard Close, Stuart Sweetman,  
Paul Rich

ICL - Keith Todd, John Bennett, Mike Coombs

Copy: Scott Childes, Mena Rego

Key Points Made

1. John Roberts set out the purpose (per his letter to Keith Todd), and emphasised he needed:
  - a clear picture from ICL on how they think the programme is going, and their confidence in solving issues around delay; and
  - assurance about the programme for the PO Board.
2. Keith Todd gave his overview:
  - a) • Horizon is critically important to ICL and Fujitsu, and to Post Office, and (hoped) it is for DSS;
  - his belief that the programme is do-able, and that ICL will commit all necessary funds to deliver its part;
  - his view that his own macro-objectives in setting out on the programming had not changed, ie
    - to put in a UK national infrastructure via post offices that could be developed long-term for society as part of a "national information flow";
    - to take the first serious steps, through using cards for DSS fraud control, to take the "information society" to the technology-resistant "mass market" in the country and then build on that (eg via smartcards);
  - he has taken a calculated gamble that delivering Pathway's programme will enable ICL to become the PO's main technology partner;
  - that Horizon remains the best practicable option for DSS;
  - that Horizon is a world-class system (evidence of many postal administrations wanting it).
- b) • That there were short term practical issues around Releases 1c and 2, which meant a three week slippage to the former, and at least a three month slippage to the latter. The latter still needs another 4-6 weeks for Pathway to validate and re-baseline Release 2.

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- that a key lesson learnt was that the joint sponsor contractual relationship had made delivery much more complex, and that ICL had been over-ambitious at the outset;
  - that the DSS attitude was less than helpful in some respects.
3. John Bennett and Mike Coombs gave a short presentation (copies attached for Scott) in which they highlighted:
- a number of contributory factors for delay, which in their view were not solely Pathway's fault;
  - in particular, the need to get an adequate and agreed requirements baseline fully in place; the fact that the overall system was more complex than first envisaged; and the need to understand dependencies across the programme to get a common critical path and a better change control process in place;
  - the complexities around level of requirements because of PFI;
  - Pathway's need to improve their design, testing and integration approach;
  - some commercial ideas to help POCL longer term.
4. John Roberts invited comments from Post Office colleagues. These were:
- not accepting all of the contributory factors as described;
  - acknowledgement that some lessons had been learnt, and plans were in place to address them;
  - that sponsors, via the PDA, had for some time been wanting a more realistic timetable approach from ICL;
  - that confidence levels were still low;
  - that any new commercial ideas would be picked up by POCL with Pathway;
  - that some POCL scenario planning had begun as a matter of prudence;
  - that POCL remained committed to providing all the resources necessary to enable these plans to be made.
5. John Roberts summarised as follows:
- the Post Office was very disappointed at the current situation;
  - the Post Office, and POCL, is still keen to do this project and make it work;
  - ICL's credibility is at stake, and confidence in Pathway within the Post Office is still uncertain;
  - a realistic baselined plan must be settled, and then frozen, with issues or changes properly identified and processed after that;
  - the open working between all parties must continue;
  - that the Post Office could not guarantee its position to sustain commitment if a realistic plan together with evidence of delivery is not forthcoming from ICL in the next, say, six months;
  - that the Post Office was willing to listen to ICL if it felt DSS was unfairly inhibiting progress in some way.

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6. Keith Todd replied by saying he appreciated the spirit in which the meeting had been conducted, and reaffirmed ICL's commitment to make it work. The meeting ended.
7. Following ICL personnel's departure, Post Office colleagues discussed the approach to the PO Board. It was agreed that a short update would be given as part of the Chief Executive's Report at the September Board, and a fuller presentation by POCL would be given on the situation at the November Board, once the independent PA review was fully known, DSS's reaction to it was established, and Pathway's baseline planning work had been completed. This presentation would also include a summary of POCL's strategic scenario planning, being done as a contingency if Horizon was ceased or radically altered in its scope or delivery.

Paul Rich  
5 September 1997



Document Name: PA review	Document Version Number: Version 1	Document Date: 5/9/97
Reviewer Name:	John Cook	
<i>Note that these comments have been compiled on rapid read through - a more considered review will follow.</i>		

No.	Para	Comment	Type
1.	Last para page 1-1	The term "chronic" seems emotive - and while the full functionality national roll-out has been delayed there appears to be no recognition of the (limited) successful phased roll-out.	Style and scope
2.	First para page 3-3	The time dependant business case issue is developed further later, but I do not feel that the statement here is fully explained within the report.	Justify
3.	Page 5-7, 2nd section 5th bullet	It is not made clear why they believe that the contractual complexity impedes effective delivery management - nor what they perceive as the cause or alternatives to the complexity.	Justify
4.	Page 5-8, 2nd para	To what extent are we putting all our eggs into the Pathway basket in any case. To wait until we can do "large scale real time testing" leaves a real risk if there are fundamental architectural problems	Key point
5.	Page 5-10 2nd para	We would assert that the delay was in obtaining adequate definitions of the security solutions to our requirement - I note that the following para affirms that our requirements are not unreasonable.	Style
6.	Page 5-11 2nd last para	While I would accept that tensions exist on contractual responsibility, the report does not acknowledge that such tensions are based on PFI and cost ownership.	Justify
7.	5-14 3rd bullet	The PFI contract was not "rushed through". There are many agreements to agree, but this is inevitable in a programme of this complexity. There has to be a trade off between negotiating every last detail before award (with more than one supplier) and moving forward with a single supplier.	Error
8.	5-14 last bullet	The contract may come into play frequently, but the assertion that it is too frequent is not supported by other statements in the report that there needs to be a wider appreciation of the contract.	Style
9.	5.15 last para	There have been several meetings of a joint control forum. This may not fully reflect the contracted procedure, but the documented PDA procedure of an internal CCB and a joint CCB are followed and the groups have met a number of times.	Error
10.	5.19, 5-20	This section requires more careful response, but contains factual errors. • There are not 180 change requests which have not been formally signed off. There are approximately 21 CCNs in	Error

		<p>process - out of a total of around 200 that have been raised.</p> <ul style="list-style-type: none"> <li>• Agreements to agree were not the method used to "drop down". The "drop down" was based on agreed requirements and solutions without varying obligation. In parallel a number of agreements to agree were progressed and became tied to the process as a lever - they were outside the drop down process however.</li> </ul>	
11.	5-20 last para	Is the implication that there has been too much "legal intervention" to date?	Justify
12.	5-22 2nd para last line	It is not clear what PA mean by a baseline reference of the PDA's own, especially given the fact that this is in the section on business case. Are they suggesting the PDA should have greater empowerment to trade off between sponsors?	Clarify
13.	5-25 3rd para	Is this a criticism of PFI as a delivery mechanism, or the way in which PFI has been applied to BA/POCL?	Clarify
14.	Page 6-26	Chart is difficult to read in fax quality, but seems to indicate roll-out starting (now) in 1999. I assume this does not take account of early implementations (to a maximum of 5% of offices)	Scope
15.	Page 6-28 1st bullet	Not clear whether this comment relates to Pathway, or PDA plans or both.	Clarify
16.	Page 6-28 last bullet	This is a critical point - POCL require the services in all outlets. If there is a real risk of anything up to 50% of offices not being suitable it will destroy the viability of the whole strategy of both BA and POCL.	Key point
17.	Page 9-31	In the centre of the page there is the reference to sorting out the fit between security requirements and solutions. This area recurs throughout the report. Is this the only major area of contention in the requirements/solution that PA identified?	Clarify
18.	Page 9-33 2nd bullet	I believe change control process to be one of the better managed areas. It can be slow due to the wide constituency that needs to be consulted and this may be open for some streamlining. The problem I would suggest is that in a programme with delivery problems (and a long lead time for implementation of new facilities) there is a tremendous pressure too conclude change in unrealistic timescales.	Error
19.	Page 9-33 3rd bullet	I would like to understand what PA mean by "simplification of the contract", and whether this takes into account the complexity of the BA-POCL commercial contracts as well as the three Pathway contracts.	Justify and clarify

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Peter Copping  
PA Consulting Group  
123 Buckingham Palace Road  
LONDON  
SW1W 9SR

8 September 1997  
53-28

Dear Peter

HORIZON OR BA/POCL PROGRAMME REVIEW - PART III

Further to my fax of earlier today; I said if I thought of any more potential big gaps, I'd let you know.

Two points do occur: first, on the basic technical question of whether there's a basic ICL Pathway design flaw or not that, combined with the sheer scale of what we're trying to do, makes the programme inherently unstable. The report is silent on this explicitly at the moment, though it implies the design if feasible. I wonder if people who worked on the initial technical evaluation (including, if I recall correctly, a PA consultant) could help here?

Secondly, in relation to the PDA's future role and the associated work with that (eg end-to-end process design), some acknowledgement of, or comment on, the work already in place through Andersons and French Thornton (commissioned by the PDA Board) would probably be right.

Thanks

Yours sincerely

PAUL RICH

Copy: Mena Rego (on return)  
Bruce McNiven, PDA