

CIRCULATION: NATIONAL EXECUTIVE COUNCIL

Your Ref:
Our Ref:

CB/EJA/PC NW 06 01
PO PZ

20th November 1998

The Rt. Hon. Alistair Darling Esq.
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General Secretary
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Does in Parting

I am sorry to need to write to you again but I wonder if you have received my letter to you of 5th November 1998 in which I expressed the concerns of Sub-Postmasters at the doubt which had been cast upon the Horizon project by an article in *Computer Weekly*.

I hope that you can understand that I am being faced with a growing number of extremely anxious members who, having read about or heard of, the suggestions that the Benefits Card is to be dropped, are pressing me for an answer.

I would, therefore, appreciate an urgent indication from you of the position of the Government with respect to the Horizon project so that Sub-Postmasters everywhere can know the true position.

I look forward to hearing from you.

GRO

COLIN BAKER
General Secretary

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National Federation of SubPostmasters

5th November 1998

The Rt. Hon. Alistair Darling Esq.
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Dear Mr Darling,

COMPUTER WEEKLY ARTICLE

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

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

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

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

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

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

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

GRO

COLIN BAKER
General Secretary

Computer Weekly 4-11-98

News

Benefits card faces axe

Bill Jacobs and Stephen Phillips

THE GOVERNMENT is considering a radical rescue package to salvage ICL's troubled £1bn post office automation project.

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

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

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

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

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

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

NatWest unveils coin cash dispenser

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

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

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

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

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

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



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

MPS quiz Civil Aviation Authority on Swanwick

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

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

independent audit of the National Air Traffic Services.

Computer Weekly has criticised the experts at Defence Evaluation Research Agency who have been looking at National Air Traffic Services. It says they are not the right people, that you are in bed with them... how do you respond?

Field and Sample said they were satisfied with the agency's credentials and inde-

supporting **technology**

The challenge of effectively managing your IT infrastructure. Effective and efficient use of information technology makes a significant contribution to every successful organisation. This means managing Total Cost of Ownership (TCO) without compromising on quality. The management of rapidly changing technology adds a completely new dimension on to the challenge.

