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

Monthly Progress Report

ICL

October 1999

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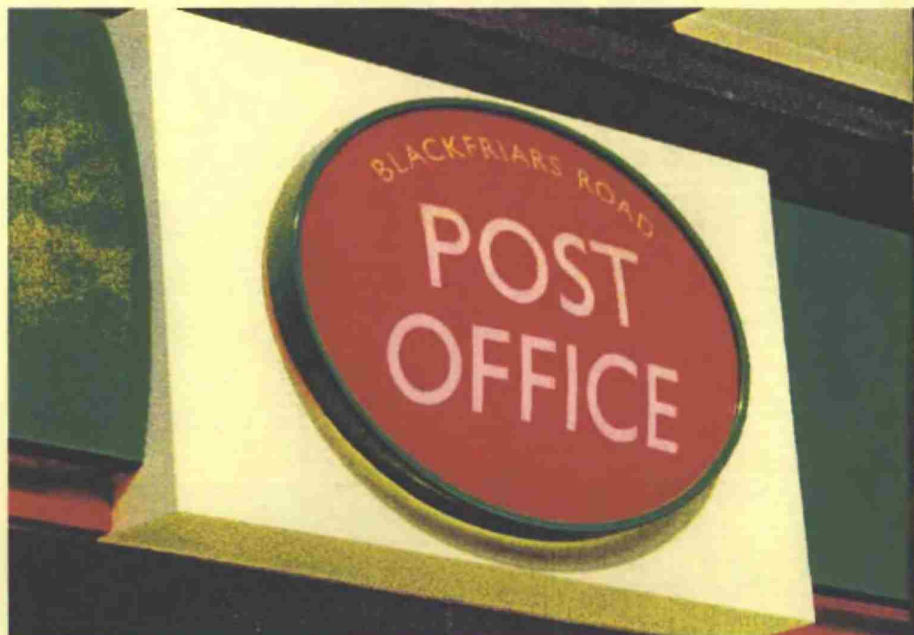
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Associated Documents:

	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		

ICL Pathway Monthly Progress Report

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Managing Director's Summary

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Managing Director's Summary

PROGRAMME PROGRESS

- As of 5 November 1999, 1811 Post Offices had been installed and migrated to the Horizon system achieving the programme milestone target of 1800 live outlets. This was a major achievement for the programme and has resulted from the hard work and co-operation of all parties, both in ICL, POCL and our key suppliers.

- Payment was received on 22 October for the £68m Acceptance milestone, and the invoice has been submitted for the £90m Implementation milestone which is due for payment within 30 days of 5 November.

- Discussions with suppliers concerning productivity improvements and revised roll-out activities are now taking place and a review plan has been created to learn and respond to the lessons learnt. All this is being conducted such that we can make improvements in preparation for the re-start of roll-out in late January 2000.

- A programme of demonstrations and assurances for POCL and our ability to provide the capability, robustness and contingency for the training schedule and the administration systems is in hand. This will address recent POCL concerns over training scheduling giving them positive feedback against their roll-out criteria.

- Over 16,000 outlets are now properly scheduled into the infrastructure programme with the remaining 2,000 or so not yet released from POCL. We are reviewing with POCL the process for releasing the suspended outlets so that we can complete the infrastructure programme on a timely basis.

- Discussions with the Horizon team regarding the 2000 Delivery Plan is now making good progress. There is now broad agreement that CSR+ should be delivered as one release and not broken into multiple phases. Also we are working to an approach which will reduce the user confidence testing and gain time in the end programme release date. Release authorisation for CSR+ now looks likely to be available during September 2000 for release to the live estate.

- Too many Reference Data errors are being distributed to the live estate which has been causing major problems with reconciliation and cash account production. We are pressing for a full end-to-end review across Horizon as well as Pathway such that solutions can be found and implemented prior to a roll-out restart in January 2000.

- Members of the Parliamentary IT Committee, both House of Lords and House of Commons had a successful visit to Feltham on 26 October. POCL joined us and shared the presentations which were well received.

- National Audit Office (NAO) have continued with their information gathering on the cancellation of the BA Payment Card.

- POCL's Network Banking business have issued an ITT for an ATM service. The contract is aimed at high street banks, but there are opportunities here for ICL. We are working with Financial Services who will lead the bid

ACCEPTANCE

- Careful attention has been given to progressing the Acceptance Resolution Timetable plans for all outstanding former Acceptance Incidents. A number of review points are in hand during November such that we can reach the major Acceptance Review on 24 November with these actions satisfactorily completed.

- The monitoring of the three big Acceptance Incidents (AI298, AI376 and AI408) have all run into difficulties in varying degrees with the common theme being the potentially unsafe state of operation of Reference Data within the end-to-end model. As mentioned already the end-to-end workshop is the critical process for finding an acceptable resolution to this complex area.

ISSUES

- Managing the Acceptance Resolution Plan during the balance of 1999 will be critical to our clean start in year 2000. Within this the Reference Data end-to-end concerns are the most important and do require a positive joint attitude from POCL as well as careful planning and defensive mechanisms from within ICL Pathway.

- Help Desk performance has improved against most SLA targets. The expert domain to handle complex POCL business rules around office balancing remains difficult, will not be easy to improve substantially and is a source of criticism from POCL.

- Energis/BT have just informed us that there are many more Post Offices which cannot be connected to the ISDN network despite all their previous work over the last three years. We are now pressing hard to get a clearer understanding of the issue and to work out what a resolution plan would need to be.

- We suffered a serious operational outage during the month, due to a catastrophic failure within the Energis network which although it did not bring our system down did cause a large number of NT errors requiring system re-load.

- The ISDN communications protocol on the EICON card has a communications fault which is delaying software distribution to our counters and must be fixed during the winter review period.

- As we approach the millennium we are increasing our vigilance on business continuity planning and are looking hard at all testing scenarios concerning Y2k.

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Development Report

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Development Report

MONTHLY SUMMARY

- The level of effort required to support the 'Acceptance Rectification Plan' reduced considerably during October. One or two incidents did occur which required intensive activity, fortunately only a few development people were impacted, enabling the majority of the team to focus on the future releases.

- The Sequent SE70's which ran the host and warehouse applications have now been successfully replaced by NUMA-Q configurations. The future of the spare NUMA configurations is now being actively pursued.

- The SIP16 release, which comprises of enhancements to the cash account and reference data elements is in the final stages of testing and is expected to be delivery into the live service in late November as planned, provided POCL can supply the appropriate reference data. The EPOSS reconciliation facility has been handed over to B&TC who have commenced 'blitz' testing. This is due to be distributed to the existing estate before Christmas.

- The discussions with Horizon regarding the year 2000 delivery plan have been progressing well. The review team is scheduled to present their findings and proposals to Horizon/POCL/ICL Pathway Management on 3rd November. They have accepted Pathways assertion that it would be too complex and risky to divide or phase in the CSR+ functionality and have also concluded that their business case for doing so is not convincing. We anticipate an approach which shortens the 'user confidence test' stage and introduces a live pilot activity lasting 3 to 4 weeks. This would result in CSR+ gaining 'release authorisation' for the live estate in early September 2000.

- The Technical Integration and Business & Technical Conformance teams continue to make good progress, particularly with the SIP16 release. The issues regarding the speed and accuracy of rig building and the level of internal change remain the main challenges for the development management team.

- Progress on CSR+ is broadly in line with version 9 of the plan and the slippages which have occurred are measured in days and actions are in place to recover the lost time.

- The performance and capacity of the existing CSR system has become a source of concern and is receiving considerable attention. An detailed action plan and delivery schedule is currently being developed which will ensure that these problems are overcome before roll-out recommences in late January 2000.

- The recent revelation from Energis/BT that there are many more postal outlets that cannot be connected to the ISDN network has come as an unwelcome surprise. Energis have been requested to respond formally, stating their recommendations for resolving the issue.

PROGRESS

- The Main APS test rig is continuing to experience problems with building the software configuration. Daily reviews are being held between the various parties to overcome the issues and recover any lost time. Horizon has now confirmed in writing that British Gas (SPM) will not take part in interface testing in November. The full implications of this are still being evaluated but it may mean that SPM slips beyond CSR+ and into the AP client migration programme. The HAPS and Quantum interface testing remains on schedule although Siemens are expected to raise change requests against the baseline AIS.

- Rig building problems have also hindered the LFS testing but these have now been largely overcome.

- The EPOSS Reconciliation enhancement for CSR has been handed over to B&TC who have commenced blitz testing. Development for CSR+ is underway but has run into problems with version 2.2.3 of the desktop. These are being investigated.

- The final witnessed testing phase of SIP16 is progressing well with very few incidents being raised. The main concern lies with POCL who are having difficulty satisfying the agreed interface specification. If this cannot be resolved it will seriously impact the ICL Pathway delivery scheduled 1999 and 2000.

- The system infrastructure activities (e.g. autoconfiguration, tivoli, audit, FTMS etc) are progressing to plan but here to we are experiencing problems with building cohesive software configurations. Actions have been taken to resolve the issues.

- Progress with system testing the 'secure builds' is going well and after a difficult start with VPN testing, it too is now gathering momentum. Data Warehouse testing is progressing with high pass rates and the activities associated with the RODB and OCMS systems are currently on schedule.

- Test analysis and scripting work related to CSR+ increments 3 and 4 proceeds to plan while test execution of SIP16 and the EPOSS reconciliation upgrade continues in parallel. B&TC are struggling to keep up with the level of internal change proposals and this is being addressed.

COST DOWN

- There were no new initiatives in October although the team continues to exercise very tight control with 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 been in contact with the European Service Organisation and EICON support in Montreal to help resolve the problem quickly.

- An unexpected and as yet unexplained fault in NT resulting from a communication 'power down' caused a large number of 'blue screen' incidents in the outlets to count against Acceptance Incident 298 during the formal monitoring period.

- Too many reference data errors are being distributed to the counter. End to end design reviews are being held to establish what action can be taken swiftly to prevent these occurring in the future. These are having a major impact on Acceptance Incident 376. In addition, the performance of the data distribution process is inadequate and must be improved before roll-out commences in late January 2000.

- The Pathway testing team is questioning the quality of the 'Reference Data' being supplied by POCL during the final stages of testing SIP16. If this cannot be rectified satisfactorily, it will delay the implementation of this upgrade and have a knock-on impact onto subsequent releases.

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. It does not include a receipt printer and will only be connected to the Data Centres from the home base i.e. it will be free standing when operating in the remote locations.

- The live performance monitoring activity has identified a problem with the capacity of the ISDN Network and CISCO router configuration. An action plan has been produced which will resolve the problem and this will be presented to the Management Team within the next 2 weeks.

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- It is becoming increasingly certain that we must intercept Riposte 6.0 for CSR+. This has exacerbated the problem associated with testing Riposte 5.5 in that there is more functionality included which requires specific testing. Previous indications suggested that saturated usage would be sufficient testing.

- 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

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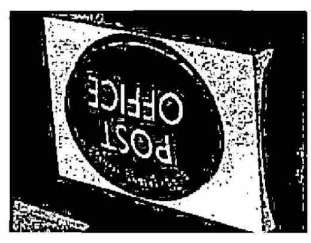
Commercial & Financial Report

MONTHLY SUMMARY

- Following invoicing for Acceptance at £68m in September, payment was received by wire transfer on 22nd October, two days ahead of the due date of 24th (a Sunday).

- The 'upside' roll out target of 1800 post offices was achieved on 5th November, enabling us to invoice the higher figure of £90m rather than the alternative of £80m for 1600 post offices. An invoice for £105,162,500 including VAT was couriered to POCL on Monday 8th November and POCL's confirmation of receipt was received on 9th November. Payment is due on 5th December, which is another Sunday.

- As doubtless reported elsewhere by my colleagues, there has been intense activity on the post Acceptance/ pre January roll out decision front, and this will intensify further in the run up to 24th November and beyond. Reference data is the big issue. Some resolutions must be found before roll out can safely restart on 24th January. As a measure of the exposure, we face a claim from POCL (which we are disputing on the grounds that they authorised it) of some £300k in respect of just one reference data error.

- An up-to-date Forecast, a Budget and a Five Year Plan have all been submitted to Group during the past month. The Forecast assumed that the 1600 roll out milestone would be achieved, consistent with Second Supplementary Agreement, but that the original 1800 milestone would not. Hence Forecast revenue, profit and cash should all be over-achieved this quarter. More on the Pathway Business Case below.

- There has been continuing progress on CCNs, with the JCCB providing a focus for action. More progress is still required for this to be wholly satisfactory, but the tide is gradually turning in our favour.

- There has been significant activity on the subcontractor front (Workplace Technologies, Energis, OSD, Fujitsu) aimed at both cost down and quality of service.

- ICL Treasury have agreed in outline new terms with the Pathway's lenders (DKB and BOTM). These reschedule the debt repayments to reflect the new Pathway /POCL contract phasing and also provide more flexibility for 'second' draw-downs. The downsides are that the banks' margins go up significantly and we will need to take the new arrangements to POCL for their agreement.

PROGRESS

- Acceptance payment of £79.9m including VAT received on time.

- Roll Out of 1800 achieved and invoiced.

- First level cross-checks of Pathway financial projections have been completed between Actuals, Forecast, Budget and Business Case, year by year.
- Banking arrangements.

KEY LEGAL ISSUES

- None.

BUSINESS CASE

- The Business Case model has been substantially modified. It now calculates every line item on a monthly basis through to the end of the contract, and had all cost parameters and algorithms recalibrated to reflect fully the Codified Agreement and its two Supplements. It also now presents the costs for each of Development, Implementation, Customer Services and HQ in a way which matches Actuals and Forecast and which will enable each Unit Directorate to review and take ownership of its part of the plan to March 2005. Up to March 2001, it feeds off the same Headcount and manpower cost database as does the Forecast.

- Balance Sheet reconciliation has been carried out line by line between the Actuals, Forecast, Budget and the Business Case. Changes have been made to each of the Forecast, Budget and Business Case as a result. Some small differences remain and these are being worked on for the next Forecast due in next Friday. A first level reconciliation has also been made at the individual cost item level: more work is needed with the help of Business Unit Controllers to eliminate remaining differences.

- The new model is being audited by Grant Thornton.

- Two versions of the Business Case have been considered and will be presnted to the Management team next week. Option A assumes limited incremental revenue over the life of the contract (some £15m) and an outsourcing / sweat the assets / cost down approach. Option B assumes much greater success in developing the Post Office account and consequently some £50m of additional revenue (not counting any non-Horizon business and before any contract extension).

- In programme terms, Option A assumes one more release (part maintenance, part functional) after CSR+, whereas Option B assumes two full releases, one in 2002 and one in 2004. These logically would address Network Banking, client re-engineering at large and Modern Government. The Development organisation would continue as a core competency for Pathway throughout the term of the contract, as would sales and consultancy functions. Under Option A, all functions get consolidated into Customer Services except for the rump Development group who would, it is assumed, transfer into another part of ICL who would undertake fourth line support for Pathway.

- Option B assumes a positive relationship with the Post Office which opens up opportunities for other Post Office business and contract extension. Option A does not.

- The headline P&L and cash position for Option A over the term to March 2005 appears better than those for Option B but not by much, and with less opportunity to improve. Each option has a different risk profile, and these will be explored at the Management team away day next week.

- The projected Option B project loss at the Pathway Limited level remains at £50m, and that at Group level at £15m. However, these figures are net of a number of overs and unders relative to the May Business Case. They include both risk and task. A track will be presented next week, along with a description of the perceived risks to be controlled and the opportunities to be explored.

- Cost reduction trigger points begin to occur during 2000/01, so decisions as between Options A and B will be required during the year.

RISKS

- A high level view will be presented for discussion at the Management Team away day next week. It will be derived by consideration of Business Case drivers and sensitivities and will need to be matched to the Risk Register view of risks by programme element. This is planned as a 'next step' between the two units to improve the way the Risk Register and the Business Case get linked and cross-refer from a baseline standpoint.

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

ISSUES

- Reference data end-to-end processes and controls. The concerns are that POCL have not taken the matter sufficiently seriously to date (although that appears to be changing) and that further system enhancements are called for to safeguard Pathway's financial position before resumption of roll out.

- We were unable to convince POCL of our case over reference data without resorting to what POCL regarded as undue escalation. That went down badly and caused a negative reaction. The right actions now appear to be underway but we need to establish new conduits for better day to day communication and 'step-by-step escalation'. The actions have Operations leading, with Programmes in support: this is a significant change which calls for changes in the ways we do things internally as well as between ourselves and POCL.

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- Option B depends on the PONU and Post Office client facing units jointly commissioning us to provide enhanced facilities. There is no sign yet that PONU has found a way to attract the attention of its internal customers. Network Banking are showing all the signs of doing their own thing (internet banking without regard to the Horizon infrastructure).

FINANCIAL PERFORMANCE

- The Controller's report follows.

COSTS

October 1999 Finance Comments

Headline Numbers:	Month of October 1999		Cum. April - Oct 1999	
	Actual	Variance vs. Forecast	Actual	Variance vs. Forecast
Revenue	216	6	71,558	6
Project Costs before Capitalisations	11,979	2,466	78,485	2,466
Declared PBT Profits/(Losses)	(1)	29	15,629	29

		End of October 1999	
		Actual	Variance vs. Forecast
Project WIP		145,004	2,442
Net Fixed Assets		39,753	1,122
Total Borrowings		114,963	1,712
Headcount:	Permanent	236	17
	Non-Permanent (ITs and Temporaries)	11	(2)
(Memo):	Freelancers procured through ICL IT Contractor Services	204	22
	A&TC Scheduling Centre/ES resources used on project	130	16

COMMENTS

- October was a quiet month - at least as far as revenue is concerned - sandwiched between the acceptance and first milestone invoicing. Revenue related to accrued income for RFI invoicing and CCN work on Euro symbol updating.

- On the cost front, there were widespread gains totalling £2.47m, but most of these related to lower levels of invoiced costs on site preparations, operational support and training; these gains should reverse themselves in the coming months. Many subcontractors do not appear to be matching the pace of change in the roll out rate and the level of support provided to our growing live operations base. Whilst this is good news on the short-term cash front, it also makes it difficult to track progress on cost levels incurred, versus forecast.

- Of the "real" gains that arose in the month, £0.18m related to lower headcount resource costs and £0.16m to lower IT support costs.

- In addition to the lower than forecast subcontract invoice levels, there was also a low level of deliveries in October from Fujitsu of PC units for the counter equipment roll out. This was the main component behind the £1.1m variance against forecast in the levels of fixed assets at the end of the month.

- Borrowings at the end of the month were a relatively low £115m, which was £1.71m better than forecast. POCL paid the acceptance invoice on time and internal ICL bridging finance has now been repaid. The VAT element of both the acceptance and milestone invoices does not have to be paid over until 31st December (total £27.6m).

Customer Requirements Report

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Customer Requirements Report

SUMMARY

- With formal CSR Acceptance now achieved, the team has regrouped around the actions within the Acceptance Resolution Timetable. This contains individual action plans for 13 former Acceptance Incidents (AIs). These are the pacing items for restarting rollout in January 2000. Some Requirements activities have restarted.

DETAILED PLAN ACTIVITIES

ACCEPTANCE RESOLUTION TIMETABLE

- The Acceptance Resolution Timetable forms part of the Contract, as a result of the Second Supplemental Agreement, and contains some 300 activities and events that are pacing items for the restart of rollout on 28 January 2000. These are grouped principally under 13 former Acceptance Incident headings.
- (Pat C): The activities are being reviewed weekly. Joint activities are being split where possible to show the contribution of POCL and Pathway so that documentary evidence may be available in the future in the event of POCL non-performance.
- There are two further groups of former AIs: those where there is a disagreement as to severity - None (Pathway) and Low (POCL)- and Low/Low items. There are now two or three of the former for arbitration (232, 242 and possibly 379) and 55 of the latter, for which one-line resolution plans are required by 31/10. Of these 55, 16 are against Security and those that are Business Continuity related will only close when we have a settled estate.
- At present the purpose is to keep the timetable activities absolutely stable and to force demonstrable completion of Pathway responsibilities. In places POCL are redefining and rescheduling their activities but Pathway contributors are under remit to disregard this.
- The 13 former AIs are reported in Timetable order:
- 211: (John P) This is now resolved and in monitoring until 31/10.
- 342: (John P) This is now resolved, monitoring is complete and formal Closure has been requested.
- 390: (Dave C) A change to AP counter is due for distribution 30/11. It is in test.
- 376: (John P) This area is of particular concern. The six-week observation period has started. The work is in three parts: fixes yielding a target stability figure of merit of a maximum 0.6% of Cash Accounts in error (approximately 42); additional reconciliation facilities; and new Operational Business Change (OBC) procedures. Although all fixes are implemented, problems arising from Pathway Reference Data handling were encountered and are proving difficult to solve without letting through Cash Accounts in error. The definition work for additional reconciliation is on plan and design is in progress. All the OBC procedure work is completed. The POCL Acceptance Test Manager has left

the project and several new people are now involved and are not yet familiarised.

- 378: (John P) A "diagnostic" fix is in place to find, and if necessary repair and report, a problem not previously defined. We do not expect to find such a problem, believing it to have been an isolated incident whose true cause was not originally reported and is no longer present.

- 369: (John C) The actions in this group are largely the responsibility of POCL. All formal Pathway actions are complete. The underlying issue is a commercial one between POCL and DSS for the introduction to service of OBCS (outlets are banned from using it). We have successfully rebutted all attempts at implicating the bar-code scanner performance. ICL Pathway, POCL and BA mounted a four-day monitoring exercise. This provisionally showed that there is a print quality issue with some of the benefit books. This will be confirmed shortly when six impounded books have been independently analysed by PIRA (Printing Industry Research Association).

- 372: (Dave H) A first report on the distribution of Riposte 5.4.10 and EPOSS roll-up release package has been produced for review and will be issued to POCL (target 15/10). DLL corruption monitoring is not yet fully in place: CP 2116 is being worked on.

- 298: (Tony H and Dave H) The four week observation period will start on 21/10. (CCN555 has been raised to make the observation Cash Account Week integral.) All fixes are available and a tracking document to record progress set up. On the cut off date of 1/10 the test sample was established as 782 eligible rolled-out outlets representing 1777 eligible counters. The target is a figure of merit of four units per counter per year, a unit being an authorised reboot or various numbers of workaround. The CAP 28 figure result was around five units on a very good trend. For CAP29 the result rose to around seven units because of 376-type issues (see above), new offices not being brought up to current software revision levels immediately before first use and some offices not yet equipped with fixes for printer incidents.

- 218: (Dave J) The Pre-Entry Event actions have progressed well, now paced by CCN 543a approval. Trainer Quality Monitoring actions have been completed such that actual monitoring is in progress. The new PSA Process is with POCL for approval. Post Training Consolidation actions are all Joint or POCL. The Performance Measures on which the eventual closure will be based were due to be finalised 8/10.

- 391: (Dave J) Physical security of Wigan and Bootle. All actions to date are complete or on target.

- 314: (Tony H) The technical authors have started work on the manual required, with first delivery by 23/11 and Appendices by 28/12.

- 408: (Dave C) All early actions are complete and the main one to recruit and train the required complement of Help Desk staff is progressing to plan.

- 412: (Dave C) Ad hoc service reports. The remaining actions are paper-based ones for completion by 28/10 and are on track.

CSR

- The CCN to introduce new Inland Revenue order books into OBCS was raised. From 05/10/99 these books are processed as a simple EPOSS product. Following CCN sign off POCL will advise the go live date to change processing to OBCS.

CSR+

- Preparation of SADD Version 5.2, describing CSR and CSR+, has restarted. The Associated Document and CCN tables have been brought up to date. Appendix B is being rewritten to remove DSS-related material (CMS/PAS/BES) and to add material on Service boundaries between EPOSS and other counter applications.
- Security Documentation: (Dave J) The Security Functional Specification and Access Control Policy require reissue to strip out DSS content and simplify.
- AP (Dave C): POCL has sought to add an unjustified level of detail into APS Reconciliation: reports. ICL Pathway's formal position has been documented based on correspondence. We believe that POCL will agree to the current level being baselined, but are seeking contractual guidance as to how their "extras" should be managed. We have provided POCL with a requirements specification for PISCES (Smart Token) that describes ICL Pathway's understanding and identifies the areas where POCL must supply more information. We assisted CS in preparing a Token Service specification. POCL withdrew the CR and will provide a complete Service Description.
- We have had a first meeting to define the pseudo-acceptance activities for CSR+ that will inform the RAB (currently scheduled for August 2000). Much is predictable (Acceptance Criteria, AI, KPR and PinICL resolutions hung over from CSR) but there is pressure to re-prove some Acceptance Criteria particularly in the performance and security areas.

OTHER ACTIVITIES

- Dave H has provided some assistance to Utilities Branch for the Centrica workflow bid, similar to that provided for the Post Office IWIM bid.
- DOORS - We have obtained a licence extension and converted the new Requirements schedule (Codified Agreement Schedule A15) into DOORS format. The next logical steps are to extend this to top level contract document (Solutions / Service Definition Schedules / SADD) and, decide how to interface would be with other tools and processes particularly PVCS and the existing CCN / CR / CP procedures.
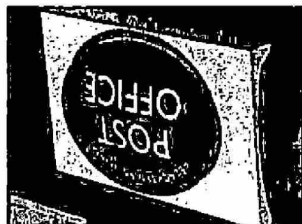
CURRENT CRITICAL PROBLEMS

- It is essential that the estate software revision levels are complete and operations stabilised, such that 376 and 218-type incidents are minimised.

ISSUES

- None.

Customer Service Report

POST OFFICE

Customer Service Report

MONTHLY SUMMARY

- Although final figures are not yet available for October's SLA performance, there is a strong indication that we have achieved the minimum acceptable level.

- The SSC remains under enormous workload pressure. The number of calls received in October was 1123 (compared with 815 in September and 536 in August). Poor filtration at SMC is a major contributor to this problem and that aspect is part of the current OSD Red Alert. A number of management and working level meetings have been held with OSD and although a plan to address the SMC failings is expected imminently from OSD its appearance seems slow. As a temporary measure overtime arrangements are being put in place within the SSC to help handle the extra load.

- The SLA workshop held with POCL on 27 October was successful in achieving the goals documented within the AI408 rectification plan.

VITAL STATISTICS

At 31 October 1999

Installed Base: 1596 Post Offices, 3558 counters	
• *Total number of OBCS transactions to date*	*164m*
• *Total number of OBCS transactions in September*	*3.0m*
• *Number of books impounded*	*30,513*
• *No. of EPOSS Transactions to date*	*16.0m*
• *No. of EPOSS Transactions in September*	*7.0m*
• *Value of EPOSS Transactions to date*	*£484m*
• *Value of EPOSS Transactions in September*	*£119m*
• *No. of APS Transactions to date*	*2.6m*
• *No. of APS Transactions in September*	*1.3m*
• *Value of APS Transactions to date*	*£60m*
• *Value of APS Transactions in September*	*£28m*

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PROGRESS

OPERATIONS

AVAILABILITY MANAGEMENT

- Although final figures are not yet available for October SLA performance, there is a strong indication are that we may have achieved the minimum acceptable level.

- A technical review of the Riposte index corruption on correspondence servers and counters was held with POCL on 27 October. Questions raised by POCL were answered at the review. The responses will be detailed in a follow up memo. A fix is currently being tested.

- A power failure on the Energis network switch at Kearsley triggered a successful network fail over to the backup switch at Birmingham. Serious network congestion was experienced as a result of this failure and it coincided with a rash of 'Blue Screen' problems requiring counter re-boots. Energis have already issued an interim report on the failure and a full report is expected from them by close of business on Friday 5th November.

- The NUMA-Qs, replacing the SE70s, in the Data Centres became fully operational during October.

CHANGE MANAGEMENT

SOFTWARE DISTRIBUTION

- The software distribution mechanism is increasingly suffering from a persistent but varying tail of post offices that fail to receive software fixes on the first pass. Daily statistics are being prepared on counters that consistently fail software distribution and investigations are continuing to focus on these counters. The flow of Acceptance Incident fixes is now much reduced although the overall volumes remain high.

- Workload on Release Management remains high but should be alleviated when the new Release Controller is up to speed.

Reference Data

- The quality of POCL supplied Reference Data is being discussed within Pathway and POCL. Pathway are considering what actions can be taken, both by Pathway and POCL, to improve the quality of the supplied data and reduce the risks of incorrect data being supplied to the live estate counters.

- The initial incremental update to Reference Data for SIP16 was delivered to Pathway last week, however there have been a number of issues with this data and a meeting has been arranged to discuss and agree the way forward.

- A total of 483 reference data changes were released into the live service since the last report. The total number of PinICLs on POCL with respect to Reference Data is reduced to 25.

- An unfortunate misuse of the Operational Business Change process by POCL led to changes to buttons for Girobank operations moving to new screen locations before counter staff were informed that the change was to occur. The Counter News for this change was still in preparation at the time that the buttons moved. Pathway is reviewing, with POCL, possible modifications to the procedure to avoid such problems in the future.

SLA MANAGEMENT

APS

- A meeting was held with POCL to deal with the Polling Exception Report and the Late Polling Report issues. Pathway explained to OSG how the report is generated and showed it to be correct and OSG accepted the explanations. POCL have also agreed that Incidents need not be raised for offices not polled for a single day. POCL BSM has agreed to phone those offices to check that they have not turned off the equipment and to emphasise the reasons why they should not turn off equipment.

CTO

- At POCL's request, 4 additional CTO schedule cycles have been introduced into the timetable, to enable POCL to add in extra tokens outside the regular schedules. A plan for the introduction of a CTO schedule to go live in January 2000 has been produced which POCL have agreed to but the charging structure has yet to be finalised.

AP Client Migration

- Although good progress is being made regarding migration activities, visiting the Clients and establishing AIS/TIS requirements is lagging behind the planned schedule. The first AP Client is not to be visited until w/e 5/11/99. This presents potential for increased risk to the project since Pathway cannot detail the work to be undertaken within Development and Implementation without first establishing the AIS/TIS requirements.

TIP

- A steering meeting was held with the customer and progress is now being made on the agreement of OLAs. However, POCL have made no progress yet on specifying their requirements for an interim Disaster Recovery (DR) contingency, or their proposals for the long term DR solution.

SUPPORT SERVICES

SYSTEM SUPPORT CENTRE

- The SSC remains under enormous workload pressure. The number of calls received in October was 1123 (compared with 815 in September and 536 in August). Poor filtration at SMC is a major contributor to this problem and that aspect is part of the current OSD Red Alert. A number of management and working level meetings have been held with OSD and although a plan to address the SMC failings is expected imminently from OSD its appearance seems slow. As a temporary measure overtime arrangements are being put in place within the SSC to help handle the extra load.

- A senior SSC member of staff spent time early in the month at the SMC to review the event management activity. The subsequent report and recommendations have been reviewed with OSD management and a resulting action plan is expected.

- The number of special Acceptance Incident-related reports that the SSC has had to produce has reduced somewhat this month. However, the administrative overhead of handling calls raised, as a result of the Non-polled Offices Report, remained significant.

- A response was provided to the set of queries raised by Jeremy Folkes (POCL) concerning the implementation of message store corrections undertaken by Pathway to resolve the Transfer problems caused by a reference data error.

- As part of a wider CS/OSD review of the CFM001 contract (now to be termed the ICL001 contract), a set of detailed changes to the definition of those 4th line support services provided under the auspices of the contract has been drawn up.

- An initial list of out-of-hours contacts from Pathway Development has been provided.

- A&TC have been briefed on the requirements to fill five SSC slots but just one candidate (who then withdrew) has so far been offered. The recruitment net is thus likely to have to be widened.

SSC Issues

- Out-of-hours support for APS not in place within A&TC. This matter has been escalated to Nigel Forbes who has agreed to assist.

- Although PowerHelp is now upgraded to a Y2K compliant version and PinICL has also been tested for Y2K compliance, no test between the two systems over the OTI link has been carried out. This issue has been escalated to Dave Riglar (OSD's Service Manager for Pathway)

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Metrics.

	Aug.	*Sep.*	October.
Total Calls raised through SSC	536	815	1123
Total Calls closed through SSC	529	737	1070
Total Calls passed to Development			332

(Of the total calls closed 639 were in categories (e.g. Advice and Guidance, Published Known Error) which should have been closed by SMC).

Operational Test Team

- The flow of changes to the live estate continues at a high rate. Acceptance Incident-related changes featured significantly through the month, though it is hoped that these will soon slow somewhat and OTT can test some other changes (e.g. in relation to RODB Pearce) which have been awaiting a testing slot.

- A number of issues of the Release Schedule have been produced. This schedule itemises CSR changes, including PinICL fixes and CPs, and targets their release in relation to key events, e.g. SIP16, Y2K, restart of National Rollout, etc.

- In preparation for CSR+ members of OTT (and SSC) have attended workshops on VPN.

- Release introduction management activities are now tightly focussed on SIP16.

OTT Issues

- Large CP developments are being delivered without sufficient integration testing by Development, leading to problems in OTT testing. This issue is being raised with Development.

INFRASTRUCTURE SERVICES

Business Process Engineering

- Plan for resolving HSH/SMC procedural weaknesses

- The procedures for the HSH/SMC are critical to the success of the end-to-end incident management process. Bob Davis has met twice with Brendan Nugent and some of his staff to discuss the current position relating to procedures. This confirmed that (a) there are current procedural shortfalls and (b) additional working interfaces with HSH and SMC are required to make sure that Pathway and OSD work together more effectively. Bob plans to introduce new joint working activities. Firstly, current procedural weaknesses will be contained and then optimum business effectiveness will be achieved.

- Plan for improving process/procedural issue management in Pathway CS

- Earlier this year Bob Davis presented ideas on process and procedural issue management to the CS Management Team and obtained approval to implement. The time is now right to evolve the original ideas to make it easier for anybody in Pathway CS to raise process or procedural issues. Management of the issues by his team and joint working will ensure that business effectiveness is optimised.

Management Support

- The team has been involved in all of the major Acceptance Incident rectification plans with a good deal of work completed for AI408, AI376, AI412 and AI298. They have had success in resolving the non-polling issue, although Pathway does need to take a grip of this problem, as whilst we do not have to raise incidents on all occurrences, we do need to identify at source why this is happening so frequently.

Business / Reconciliation Incident Management

- Received the go ahead for the development of the new RED database. There remains an issue over RED report distribution, which will be tackled jointly by Development and MSU - perhaps using the same process as is used for the Problem Management database.

- Still awaiting the introduction of the automated non-polling report. This is currently being tested within OTT & there have been a few minor glitches identified. It is hoped that this will be available mid November.

- Management Information:

- Notable success in delivering the September SRB within the 5 working day time scale.

- The SLA workshop held with POCL on 27 October was successful in achieving the goal documented within the AI408 rectification plan. MSU presented the end to end SLA process from transaction capture within the DWH to the reporting of SLA information via SLAM. MSU also presented an analysis of September's HSH SLA calculations, which have been re-worked following incorrect housekeeping processes at the HSH. POCL have accepted that our procedures for this re-working are sound, however they have requested some further examples of re-worked HSH calls from the AI408 monitoring period to check for consistency of approach.

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Desktop I.T.

- The majority, if not all, staff in Fel01 now have MS exchange accounts.

- The fileservers are becoming full. One in particular is cause for concern and MSU have raised this with OSD. They have produced a plan for resolving the problem.

Strategic Services

- The following is a list of the top 5 Postmaster issues collated by discussion with the PLMs, BSM, and reviews of Service Visit Reply Cards and call records.

- HSH

  - Not getting through
  - Not getting a quick resolution
  - Failure to call back
  - Failure to get a consistent answer
  - Calls passed between helpdesks

- Printer problems

- Slow system response times at some sites

- Suspense account training inadequate

- Pre installation - Too many visitors.

Each of these issues will be thoroughly looked into.

- In order to ensure that POCL share ICL Pathway's confidence in the robustness and flexibility of the tools and processes used in HSH Resource planning, ICL Pathway has held a workshop with POCL to cover this topic in more detail.

The objectives of the event being: -

- To enable POCL to gain understanding and have confidence in the overall philosophy of the call volume model and it's relationship to the resource planning model.

- To discuss and explain the factors and logic that apply to the modelling of call types and call profiles

- To explain the iterative management processes that are supported by the model

- To review the impact of Cash Account related calls on service levels

Action no's 6 & 7 (below) of the SLA Rectification are now complete.

| 6. | Train and introduce additional HSH staff in light of monthly updates to Call Volume/HSH Model. | ✓ 26.10.99 |
| 7. | Review of staffing model at the end of October. Date agreed for 26/10/99. | ✓ 26.10.99 |

- First meeting between ICL and POCL took place on 3 November to agree the way forward for the scoping study of the electronic interface between the HSH and the NBSC. The content scope and the format of the Kainos report were agreed. Bob Davis will now be involved with OSD to ensure:

  - We meet our obligations in getting information to Kainos and

  - To open the door for Bob in getting to and understanding their processes and procedures.

Quality & Risk Report

ICL Pathway	**Quality & Risk Monthly Report**	Ref: PA/REP/043
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Quality & Risk Report

MONTHLY SUMMARY

- Security Acceptance incident. Actions are progressing to plan.

- Security. SEM definition and refining continues. Issues regarding the provision of audit data to POCL for security investigations need resolution. The KMS programme continues to be reviewed and the production of user documentation is underway.

- Risk Management. Development Directorate risks against vn9 of the plan have been identified. The risk process is being updated.

- Quality. Audits of Post Office installations have highlighted the poor site preparation quality of WTplc. Process improvements are being recommended.

- Continuity planning. Reviews of completeness of continuity plans are underway, driven by Y2k. Communication and testing of plans have begun.

- Audit. The development audit is complete and report issued. Audit solution issues are now being addressed by OSD.

- Release Management. A project manager to implement the process has still not been appointed.

- Y2k compliance. The major risk now is the level of change to be introduced to the system over the millenium period and Pathway's plans to mitigate risk. End to end plans are being reviewed.

PROGRESS

RISK MANAGEMENT

- Programme risks. Development Directorate risks against vn9 of the plan have been identified. Major risks raised include:
  - Time to build test rigs
  - Quality of POCL Reference data for testing of SIP16
  - Level of change putting pressure on CSR+ schedule
  - Resource constraints and potential skill pool shortage in A&TC
  - Migration to CSR+; a number of issues
  - Network migration testing
  - British Gas Y2k policy of no new kit over the critical period interfering with DIT schedule.

- The risk process is being revised and will include links to the Change Management process.

- A conference on the Turnbull report was attended in order to understand business implications of risk reporting.

SYSTEM SECURITY

GENERAL

- Graham Hooper joined during October as Security Manager to replace Barry Procter who has moved into ICL Group.

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

- DPA. PONU need to engage with DSS in order to establish what DSS require to fulfil its obligations under the act. A procedure has been defined for CS to respond to Subject Access Requests..

CSR

- A draft threat assessment has been produced for the RollOut Database Replication Server. Relevant system managers have been made aware and will be interviewed to establish what controls exist to mitigate identified risks. The residual risks can then be identified and action taken to propose any additional controls.

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

- The draft continuity plan for the security administration workstations is being finalised.

- Security Review of Celestica Manufacturing Process has been completed. A first draft report has been produced and some remaining issues are being clarified.

CSR+

- Review of KMS development programme. A second technical author has been engaged to progress the KMS user documentation.

- Scope, resourcing, timescales and responsibilities have been defined for technical penetration testing.

- Section 69 of PACE (concerning the provision of integrity statements in respect of computer systems and evidential output) has been repealed by the new Youth Justice and Criminal Evidence Act. Implications for the contract and AI370 to be pursued.

- POCL continue to request audit information to support prosecutions. Urgent meeting is required to resolve issue.

QUALITY

- A programme of audits of the installation of Post Offices has been conducted. The main issues identified have been with the infrastructure and a wide variety of process improvement opportunities have been identified.

- Disaster Recovery plans. SMH plans continue to be progressed. LDRPS software has been installed.

- Business Continuity Two working group meetings have been held to review completeness of plans. A framework for Business Continuity for Pathway has been produced. Actions are underway to communicate and test the plans.

- Policies & Standards Acceptance Test. 1 Acceptance Incident closed, leaving 3 outstanding.

AUDIT

- Internal audits:

- CSR+ development audit. The final report has been issued. There has been an overall improvement in the application of process, review and standards to the CSR+ products. Issues that have arisen include:

- Inconsistent documentation.

- Review of documentation is of inconsistent quality and coverage.

- No underpinning standards for C or VB code and reviews.

- Variable approaches to unit and link testing.

- A project manager has not yet been appointed to implement and deploy the Release Management Process.

- Audit Solution. The major issue is contractual compliance - full mutuality of audit data between the two Data Centres. A direct threat to place a red alert on OSD if issues were not addressed. This threat resulted in focused management attention being applied to the problem. As a result we are seeing steady progress in eliminating most of the problems.

YEAR 2000 CONFORMANCE

- Contingency Plans are being reviewed.

- CS are on track and moving forward with main stream disaster recovery. Plans to verify the operation of the live estate with OSD are being developed; not yet clear what is happening with SSC, OTT and Ref Data nor with critical service providers.

- CM - have updated and re-issued their Continuity Plan.

- Development. PI have re-issued their Y2K health check plan but not their disaster recovery plan.

- Implementation- still at an early stage.

- QRM. Continuity plans are being produced for the security administration workstations.

- A draft PID for a Pathway Millennium Co-ordination Centre , to operate over the Millennium Holiday period and link Pathway to the Group and other Businesses on Y2K issues has been drafted, and issued for comment. All of the detailed plans will be incorporated into a single plan to give an overall picture.

ISSUES

- Ensuring the overall business continuity plan for Pathway provides adequate mitigation against the risks and that Y2K specifics are delta'd on top and adequately resourced.

- DQAs of installations have highlighted the poor site preparation quality of WTplc.

- Release Management. A project manager to implement the process has still not been appointed.

Business Development Report

ICL Pathway	**Business Development Monthly Report**	Ref: PA/REP/043
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Business Development Report

MONTHLY SUMMARY

- As last month, there is still no clear picture of how the new Post Office Network team wishes to work with us. The new organisation under Shaping for Competitive Success is taking time to settle. There are many internal (to Post Office) issues to be sorted, especially in sorting out how they work with each other. Network Banking is a key example - see below. We must continue to search for every avenue to further working relationships if we are to commence requirements capture activities this year. Left to their own timescales it is likely to be March next year before PON agree how we will work together.

- Kainos have started a scoping exercise with PON looking at the formation of a single help desk for all 1st line calls. This exercise will take 5/6 weeks and will scope out the actual work that needs to be undertaken to achieve the end game. In parallel, we need to start examining the possible commercial outcomes, e.g. effect on revenues/costs, effect on SLA's, etc.

- The first stage of the Deutsche Post consultancy contract has taken place with three people spending time in Germany.

- PITCOM came to Feltham on 26th October. This was a very successful visit judging by the reaction on the day and the feedback since.

- The National Federation of Sub-postmasters (NFSP) has started a campaign to publicise the impact of benefit payment moving from post offices to banks. The campaign was kicked off last week in Scotland and will move further over the coming months.

- Following the first two sets of post office visits, there is a marked change from the last visits where most of the attention was on the system and the difficulties in balancing. There is now less emphasis on the system problems and more on the people issues. We have always stressed the size of the change programme but this has not been sufficiently picked up by POCL. There is now a realisation that support of the people is vital and the are a number of programmes set up in PON to examine these issues. meetings have taken place with Eric Logan & John Main, Territory General Managers to discuss the visit outcomes.

- We have effected an introduction of Eric Logan, General Manager for Network North and Scott McGlinchey, Director, ICL Scotland. Each party is undertaking work in Scotland around Modern Government and Financial/Social Inclusion. There is likely to be a Board-to-Board session in February. We have also presented the Horizon picture to the new ICL Scotland advisory board.

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PROGRESS

Business Development:

- Service Development: Initial PON / ICL Pathway service development workshop cancelled by PON has still not been re-arranged as they have not yet agreed internally how they wish to:

  i. manage requirements capture and priority within the Post Office.

  ii. manage future work activities with ICL Pathway.

- Both issues need to be decided at Director level within PON (Dave Smith, Alan Barrie, Tim Thorpe). Our experience to date is that none of their staff feel empowered to engage on either of the above areas until they have been given more detailed direction from above. This is causing delay to new revenues and needs to be the key focus of our activities until it is resolved.

- A useful first meeting was held with Alan Barrie to begin to put in place the process.

- **Network Banking:** A number of meetings have taken place with John Meagher & Jeremy Folkes of the Horizon team. This has been in response to a Basil Shall initiative where he is aiming to set up a web based banking service for the Network. This is a technology led move with no clear picture of the business requirements. Basil is aiming to produce an RFI within weeks which he will send to the market.

- Post Office have also asked ICL to sign a confidentiality agreement in advance of a tender for 3,000 ATM's. ICL's Financial Services team will lead on this with our support.

- PO Corporate Clients: The Horizon service was presented to the Post Office's client directors for Utilities and Government clients. This was well received with the client directors highlighting a number of internal issues which they would lead on, including activities to find a resolution to the issue of how requirements are defined and channelled through to ICL Pathway.

- **EMU:** Work has taken place with PON to deliver the first specification and Terms of Reference for non-contractual work. This will be a paid study to investigate the options for integrating EMU functionality into Horizon. The feasibility study will probably be for £100k+. A Change Request should arrive in November.

- SAP: A follow-up session has taken place with SAP's Post Office account team. No short term wins, but a number of significant medium term opportunities for joint working and influencing.

COMMERCIAL IN CONFIDENCE

- **National Savings:** Admiral Management Services are undertaking a scoping exercise for NS and Siemens looking at the potential for re-engineering. Admiral have not been allowed to speak directly to Pathway and find Post Office to be serious blockers in identifying new opportunities. We have a separate line into Admiral so we can influence their thinking.

Marketing Communications:

- **Internal Communications in ICL Pathway**

  - The key milestone of 1,600 migration was communicated within ICL Pathway and ICL; this involved a number of audiences- EMC, ICL Pathway staff, ICL staff via CASCADE and CafeVIK.

  - An article on ICL Pathway can be found in the latest edition of the ICL Magazine, which has received good response.

- **External Communication**

  - ICL Pathway now has a page on the ICL Internet page- icl.com
  - Staff have attended a number of ICL Marketing meetings in order to grow ICL Pathways reputation.
  - Chrissie is working closely with ICL Press Office (and PR company Firefly) to build on their knowledge of ICL Pathway such that we can start working out ideas for press release for next year. This is proving to be a touch difficult as ICL wish to get press releases issued now, and the Post Office wish us to wait.

- **POCL Communications**

  - PON review meetings on going. We have met with Keith Hardie, PON's new Communications manager with whom we agreed to start working together on joint press articles for next year. A meeting is being held on 1st December, between ICL and PON to get this off the ground.
  - NFSP Exhibition took place on 9th & 10th October at the NEC. ICL Pathway provided the Post Office stand with a Horizon demonstration plus presenter, which was supplied by KnowledgePool. There were a couple of issues; the main one being what the demonstration was placed in the middle of the stand and no one could see us!

- **Government communications**

  - PITCOM event was held on 26th October. It proved to be a very successful session, with approx. 20 of the team attending.
  - Working with PON, we are now setting up additional visits for Government departments.
  - The Governments Performance and Innovation Unit plan to visit Feltham on 25th November - we are working with Post Office Network on this visit.

- Alan Johnson, MP (junior minister responsible for the Post Office) is visiting on 6th December.
- David Drew, MP (Stroud, Labour), visits on the 7th December.

Fujitsu Team:

- Greg continues to support the work of the Fujitsu team. Current focus is on managing the delivery of the ICL Pathway element of a Fujitsu web based project information system initiative (Project Web). This involves working along side the Fujitsu team and a team of web designers from the ICL PFI team.

International:

- Work has started on the Deutsche Post project. This has involved Alan Ward, Geoffrey Vane & Tom Parker spending three days with Deutsche Post looking at Applications architecture and Security threat analysis.

- CTT, the Portuguese Post Office is visiting Pathway on 9/10 November. They will also visit a live post office while here.

- The Namibia Post system continues to be developed. Costs are now fully under control and our involvement is beginning to taper off.

CRITICAL PROBLEMS

- None

Implementation Report

POST OFFICE

ICL Pathway	**Implementation** **Monthly Report**	Ref: PA/REP/043 Version: 1.0 Date: 15/11/99

Implementation Report

MONTHLY SUMMARY

National Roll Out

- The rollout programme is approaching the Christmas break period and installations will cease from 12th November and rollout will resume from 24th January 2000. During this period Pathway will be undertaking a number of measures to review and fine-tune the activities and processes surrounding rollout. Running concurrently with this will be the RNM clusters and Major offices 'paid study' looking at revisions to the implementation plan. Following receipt of a further CR, the study will now be extended to include ALPS offices. Work on the study is ready to commence following POCL approval of the CCN. The first part of the study encompasses activities based around the RODB and secondly the feasibility study will address the detail of the rollout profile.

- Activity to implement CCN 561 (side agreement to the Second Supplemental Agreement) has been completed with all the obligations having been implemented through documentation and process changes. It is understood that POCL are still awaiting written confirmation from the National Federation of Sub-postmasters of acceptance of the single installation date, although it is believed this is a formality.

- Pathway and POCL Implementation management met on the 5th November 1999 to review installation dropout rates and lessons learned from National Rollout to date. It was agreed that installation dropout levels are as expected and still falling. Further reductions in the levels of installation suspensions and aborts are anticipated from process improvements made recently and process reviews currently being undertaken by Pathway's Implementation team.

- Progress continues to be made to recover the scheduling gap created by the 2-week approval process during acceptance. It is anticipated that all new installation units entering the installation process from early December will be able to follow the full 16-week cycle. To minimise impact, joint agreement was reached to delay one UAE event in November by one week to maximise the notice period for postmasters.

Infrastructure Programme

- Surveys for trolleys are continuing, but there are a small percentage of offices that need minor re-work to enable the trolleys to fit.

- The infrastructure programme has now scheduled nearly all the outlets we currently have available. There are some 2000 outlets not yet released from POCL that needs to be reviewed in order to complete infrastructure programme. A meeting was held on 5th November to review the process and current status of releasing suspended outlets into the infrastructure programme. With the greater understanding of the information shared at this meeting it is expected that improvements in the process will be achieved.

Installation Programme

- As of the 5th November 1999, 1811 outlets had been installed and migrated to the Horizon system, achieving the programme milestone target of 1800 live outlets. This was a major achievement for the programme and has resulted from the hard work and co-operation of all the parties involved. Staff in Pathway and POCL managing the installation process centrally and in the regions should be congratulated on this achievement.

- An implementation plan for outlets requiring frame relay communications has been produced and is being reviewed by all concerned.

- Discussions continue with suppliers over productivity, improvements and the revised rollout plan for next year. A review plan has been created for implementation to take all lessons learnt to date, from Pathway and suppliers, and make improvements in preparation for the new start date in January 2000.

USER IMPLEMENTATION AND MIGRATION

Training Scheduling

- Pathway is currently planning a demonstration for POCL Implementation to provide assurances of the capability, robustness and contingency available from the training scheduling and administration systems. This will complete the activity planned to address the recent concerns over training scheduling and provide positive feedback against the rollout criteria for this item.

- A further 120 training systems have been built in order to satisfy the requirements of the first phase of NRO in January 2000. A further 148 systems will be built during the Christmas closure.

- The Pre-Entry event was signed off this week, but will require POCL make some amendments to the contents of their section of the course. It is understood the POCL input will be reviewed at a dry run on 9th November 1999.

- The amended PSA process was put in place this week and a trainer briefing session was held, covering the changes and how they will be applied to the courses. It is intended that POCL and Pathway Training teams will be observing the second day of one of the training courses.

- An End-to End workshop to run through training scheduling scenarios, processes and issues will be run next week in order to review and plan improvements for the training plans for NRO.

- Acceptance Incident AI 218
  ICL Pathway has completed the vast majority of its actions on the Rectification Plan for AI218, although some POCL actions are outstanding. This was reviewed with POCL on 5th November 1999.

Implementation Statistics (To 29th November 1999)

Implementation Weekly Statistics				
Activity	Previous report total	Actual this period	Cumulative	Comments
INFRASTRUCTURE PROG.				
RGM letters issued	17421	19	17440	
Site surveys undertaken	16265	299	16564	
Site re-surveys required	6385	87	6472	
Site re-surveys undertaken	5862	282	6144	
Site modifications done	4154	180	4334	
Site preparations done	9021	551	9572	
Sites RFI	8058	836	8894	
INSTALLATION PROG.				
RGM Phase 2 Letters Issued	2570	0	2570	tbc
ISDN lines installed	1730	173	1903	
Sites installed	1195	413	1608	
Offices live	1181	415	1596	
Counters Live	2640	928	3568	

Organisation & Personnel Report

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Organisation & Personnel Report

MONTHLY SUMMARY

- Recruitment activity continued, mostly on a replacement basis though with some new positions authorised for Customer Service and also to support the Programme Plan for CSR+. Work continued on staff related cost down initiatives, focussing on ways of replacing freelancers with permanent ICL employees provided by A&TC

PROGRESS

- Appointments in July:

External Recruits	4
Transfers	2
A&TC	3
Linkwise	1
Freelance	2
Temporary	0
Total:	12

- Known joiners:

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

- Offers outstanding:

External Recruits	0

- Leavers in September:

Permanent	5
Freelance	18
Temporary	1
Transfers	2
Total:	26

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- Two meetings took place in October to review the Health and Safety arrangements associated with the Roll-Out Programme. Louise Parker, the ICL Pathway Health and Safety advisor explained the legal requirements and reviewed the ICL documentation which exists to ensure compliance with best practice in this area. It was agreed that Louise would conduct a Health and Safety compliance audit of the Roll-Out Programme and make recommendations should any rectification action be required. The audit will take place early in November.

- Work continues on the refurbishment of D Block. We are currently working on the accommodation plan which will be organised in stages to minimise disruption. These moves will allow us to substantially achieve our objective of ensuring all employees' office accommodation is of a good standard.

- In Development, as part of the Cost Down programme, we have identified areas where ICL has permanent employees with the skills to replace some of our Freelancer community. As these employees are based in KID01 and MAN27 we need to investigate the possibility of remote working and have initiated a feasibility study. Assuming this is positive, then significant pieces of Development work will be moved to these teams in Enterprise Solutions. This will allow the release of Freelancers, with a consequent cost saving.

- In conjunction with the PFI unit, work took place to investigate the costs/benefits of creating a core team of Testing Skills. A paper will be submitted for consideration in early November.

- Objectives for Professional Variable Pay have still not been returned for all employees, although there was good progress in the month. The Personnel Department again invested a significant amount of time progress chasing the missing objectives.

- A complete list of employees required to work or provide on-call cover over the end of the year was produced in conjunction with line managers. Following review and approval in early November all the affected employees will be written to confirm the days on which they are needed and the rates of pay which will apply.

- A meeting was held with Roger Ashbrook and Ron Palmer, representing the ICL Project Management Community to review the provisional assessments of Project Managers within ICL Pathway. This was extremely successful with most people being confirmed as members of the Community and an action plan being agreed for the remainder. There will be another meeting when the remainder of those who need to be assessed have completed their application forms.

- The number of authorised vacancies is now 28, an increase over the previous months total. Most of this increase is due to the replacement of leavers. A good proportion of these leavers are freelancers who are wherever possible replaced with permanent ICL employees on secondment from A&TC.

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- Some additional positions were authorised. There is a planned increase in Technical Support Product Specialists in Customer Service. This is to allow support to be given to the estate as it increases in size as a result of the Roll-Out programme. It has also been necessary to authorise 4 additional positions for Integration Engineers as a result of the Programme Plan for CSR+.

ISSUES

- There is a continuing problem with some ICL Pathway managers failing to fulfil their obligation to respond quickly to CV's sent by A&TC. It is likely candidates will have more than one project to chose from and therefore we must act quickly to secure the employees we consider suitable.

Post Office Client Report
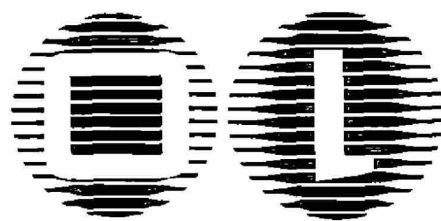
POST OFFICE

The Post Office - Client Director's Report

MONTHLY SUMMARY

- A new initiative for eBusiness is ready for discussion with Post Office.

eBusiness

- A new initiative has been developed which we are planning to float with Post Office during November. There is considerable interest in this business area across PO but as yet no committed plans. There are clearly identified potential blockers: we are working to avoid these.

Service Management Productivity Programme

- This is led by A&TC; discussions are opening on which software tools are required; there may be potential here for ICL to supply software under the consultancy contract.

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.

Smartcards

- Ownership of the smartcard opportunity within Post Office is still not settled. Jerry Cope is said to be deciding between Network Banking, Government Gateway and Electronic Services. Meanwhile we are in dialogue with PO Research group who have a mandate to procure smartcard systems for all 200,000 Post Office employees for internal use.

Corporate Clients

- Following my meeting with Ken Wright, MD Corporate Clients, we have entertained the PO group of new Client Directors responsible for DVLA, IR, Centrica, Telewest and Cable & Wireless. The key task is to find common opportunities.

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.

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New bid - Help Desk

- ICL confirmed now on the short list with the RFP further delayed until mid-November - response due in by 10 Jan. After reference visits etc, decision target date is end March.

1999 Business

- MC business now showing the Y2K effect as PO cease purchases until Feb. In September Pathway delivered a substantial profit; OSD figures also represent substantial Pathway revenues.

Latest available figures April-Sep 1999:

REVENUE:	Q1	Q2 year to date	Margin Division
MC	5,536k	9,024k	
Govt	271k	649k	
OSD	170k	9,308k	
Pathway	1,045k	71,288k	
TOTALS	7,022k	90,268k	8,427k

COST DOWN

- No change.