

RESTRICTED - POLICY

From: Jeremy Heywood  
Date: 14 December 1998

GEOFF MULGAN

cc: Lord Falconer  
Jonathan Powell  
David Miliband  
Geoffrey Norris  
Sharon White

**HORIZON, ICL AND THE POST OFFICE**

1. The Prime Minister was grateful for your minute of 9 December.
2. The Prime Minister was concerned about your view that the Benefit Payment Card is over-engineered and is likely soon to be obsolete. His clear preference would be to avoid cancelling the project, but to go for a variant of your Option 1 and Option 2. We should retain the BPC but seek to ensure that over time it delivers real benefits and provides an effective transition path to a satisfactory long term position. If necessary the Prime Minister thinks it may be sensible to give ICL a financial incentive to improve the BPC project in this way.

**GRO**

JEREMY HEYWOOD