



Priti Patel MP
House of Commons
LONDON
SW1A 0AA

Your Ref:
Our Ref:

30 June 2010

Dear Ms Patel

I have been asked to reply to you directly on the Parliamentary Questions that you recently asked on the Post Office network and the Horizon system.

Firstly, in terms of the effectiveness of the Post Office Horizon system, the system operates across the whole of the Post Office network of around 12000 offices and has proved to be very effective and robust since its introduction some ten years ago.

All new software releases are subject to rigorous testing prior to going live in order to assure the accuracy of the accounting processes. Both the system and the processes around it offer a very high level of security and resilience and are designed to ensure that should part of the system or equipment fail that the integrity of the accounting records are maintained. Additionally, our ongoing monitoring and control processes ensure that any performance issues in the 'live' operation are quickly identified and resolved.

We are currently in the process of introducing a new Post Office Horizon system and whilst the new system is essentially the business equivalent of the current system, there are a number of new features. These include, a new user interface which provides greater ease of navigation, an improved postal services application, embedded counter operations manuals in a context sensitive help function and a significant reduction in the amount of paper used. Also, a secondary network link, for use in case of failure of the primary connection, will be installed for many more branches than with the current system.

As with the current system the design ensures that accounting integrity is maintained if a system failure occurs. Significant amounts of testing effort of the Horizon system are devoted to proving that, if a failure occurs, the system not only enables accounting integrity to be maintained, but also ensures that the system alerts those responsible for its maintenance.

The new system has been designed with extensive input from over 5000 Subpostmasters and other users who have had the opportunity to review the new design and provide feedback during development.



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In terms of representations and discussions on the Horizon system, as well as receiving Subpostmaster input on the design of the new system, Post Office Limited also investigate any cases where Subpostmasters may raise any issues that they are having in terms of their branch accounting. This includes analysis and scrutiny of the Horizon transaction records to try to identify where a branch accounting discrepancy may have occurred. Each case is dealt with thoroughly and Subpostmasters have the opportunity to make representation to Post Office Limited as appropriate. Subpostmasters can also call upon assistance from the National Federation of Subpostmasters (NFSP) in terms of representation.

You also asked about the number of Post Office branches in the area covered by Witham parliamentary constituency in each year since 1997. The historic information that we hold by parliamentary constituency dates back to 2002 and information at this level is not available prior to this. A full list of Post Offices by constituency is placed in the House of Commons library on an annual basis for use by members but as Witham is a new constituency it does not feature in these historic lists.

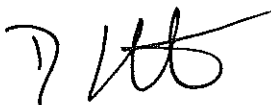
However, whilst our central system holds the current status of a branch rather than historic information it has been possible to work through this information to create an historic profile for the number of branches based on the new constituency boundary. This information is set out below, please bear in mind that this should be seen as indicative of the number of post offices, as tracking historic data in this way is not guaranteed to be wholly accurate.

Year ending March	Number of Open Post Offices* in Witham
2002	27
2003	27
2004	24
2005	23
2006	23
2007	23
2008	22
2009	21
2010	20

*(based on information available and the new parliamentary constituency boundary)

I hope this information is helpful to you.

Yours sincerely

A handwritten signature in black ink, appearing to read "D Smith".

David Smith
Managing Director