

**Witness Name:** Mr James Bruce McNiven

**Statement No.:** WITN0412\_01

**Exhibits:** WITN0412\_01/01-05

**Dated:** 17 September 2022

## **POST OFFICE HORIZON IT INQUIRY**

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### **FIRST WITNESS STATEMENT OF JAMES BRUCE McNIVEN**

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I, MR JAMES BRUCE MCNIVEN, will say as follows:

#### **Introduction**

1. This statement responds to the Rule 9 request dated 8 June 2022. This statement is dated 17 September 2022. The statement sets out my involvement with the Horizon Project between 1996 and 1999, part of which time I was Deputy Director of the Programme Delivery Authority and latterly General Manager, Horizon Implementation Team.
2. Because of the passage of time since my last period of employment on anything connected with the Horizon Programme between 1999 and now, it is being provided to the best of my recollection and with reference to the released documents.

#### **Professional background**

3. I had been employed by the Post Office since 1973. Initially this employment was with the Post Office Regions as part of a combined business prior to being divided between Post Office Counters Ltd and Royal Mail in 1986. In 1986 I was appointed as District Manager for POCL in Newcastle. This comprised an area from the Scottish border to York on the Eastern side of the Pennines. On restructuring in 1993 I was appointed Head of Retail Network for the NE area

4. In 1996 I was invited to take up the post of Deputy Director at the Programme Delivery Authority, leading the team of POCL staff seconded to the Programme and working alongside the DSS team as joint customer representatives to the contracted Supplier.
  
5. My responsibilities as the Programme Deputy Director within the Programme Delivery Authority were;
  - To represent the Post Office interests in the management of the relationship with Fujitsu (“ Pathway” ) and DSS (Benefits Agency) through a joint team headed up by a BA appointed Programme Director,
  - To assist in the overall management and coordination of the programme and user requirements, leading to eventual sign off,
  - To manage on a day-to-day basis, the POCL staff assigned to the Programme,
  - To ensure the Post Office staff were managed in a way consistent with the POCL business ethos and to provide a link between the programme and the business,
  - To ensure a purposeful and co-operative working arrangement between the 2 parties involved in the Programme Authority organisation and beyond into the wider BA and Post Office community.
  
6. During 1996 and 1997 my involvement was primarily through the joint working arrangements with BA (as part of the Programme Delivery Authority) and through them with Anderson Consulting. We met regularly with Pathway representatives to discuss progress towards the various milestones in the development plan and reported back to the joint BA/PO Programme Board.
  
7. As far as I can recall, the only active software release in this period was designated as CONGO 4 (Pathway 1(c)) which was introduced in mid - 1997. It was intended to support limited functionality at an initial 100 offices in the NE and SW Regions.
  
8. The offices involved were trained and migrated on to the system. Within the contract terms Pathway were responsible for the software. The functionality at the offices was monitored and exception reports raised as appropriate. In addition, Model

Office Testing was set up to undertake the joint testing strategy agreed between POL Pathway and BA, using a shared set of tests. Progress and exception reports were generated and reviewed.

9. A number of implementation risks to the overall programme were identified around the CAPS (BA payment system) and the Pathway software release interfaces. The programme plan current at the time required inter-connectivity between the two systems and was at the heart of replans as Pathway reported slippage on delivery timescales.
10. In this period, a major report was completed by PA Consulting. The report is available among the released documents (WITN0412\_01/01; POL00028092). They identified a raft of issues around implementation of the overall plan and emphasised the time spent in the PDA resolving issues with Pathway and the inherent difficulties in managing a PFI contract. They also questioned some of the software development strategies within the Pathway model and for the first time questioned the payment card viability.
11. Early visibility of the training programme raised concerns around effectiveness and evaluation. The need for planned remedial training was first identified at this stage.
12. Operational implementation risks identified around the Initial Go Live stage were limited to equipment failures and ISDN availability.
13. My involvement with technical issues was limited to their impacts on timescales and potential restrictions on functionality available to Post Offices. Business continuity status reports at the time included inactive payment cards and temporary loss of transactions.
14. Technical difficulties arising at IGL offices were addressed by Pathway with oversight by the PDA Testing Team. My understanding of the joint testing philosophy was to design a testing regime which would test the functionality of the solution designed by Pathway and prove its ability to support the Business requirements as detailed in the contract. Changes to these requirements arose and

were tracked through a change control system. Overall, the core elements of live status were reported as satisfactory, as far as they went at that stage.

15. As I recall, the impact of the PA report began to see the migration of functions and staff back into their host organisations and the role of the PDA as a joint body, reduced.
16. The testing of functionality, security and end to end processes was increasingly undertaken by additional resource within Post Office responsibilities, involving contractors and staff diverted from other parts of the business structure.
17. New POL forums were established, such as the Release Authorisation Board and the Automation Transformation Steering Group. There was an increasing requirement for acceptance to have clear separation of boundaries between BA and POL within Pathway systems. I believe functionality testing followed that change.
18. The Horizon implementation team was set up in POL, in which I continued to have a general management role. I attended authorisation and development meetings with Pathway from a planning and roll out timescale perspective.
19. My understanding of technical difficulties was gained from attendance at progress meetings with Pathway. I still retained a relationship management and communications role with BA, so understood the implications attendant to the issues at the interface of CAPS and Pathway releases, but not at a level of technical granularity.
20. The IT development issues and risk were retained by Pathway and, as I recall, not visible to Post Office people or in combined risk registers.
21. The forums for addressing technical difficulties set up within the POL Horizon hierarchy were the Release Authorisation Board, Transformational Steering Group and ongoing progress meeting with Pathway. Horizon testing was on the Transformation Steering Group agenda from July 1998. There were reports feeding into these bodies providing impact assessment in a traffic light risk format.

22. My engagement with these reports was essentially to assess impact on roll out timescales and readiness. I would contribute informed judgement as far as I could to agreed resolution actions on functionality issues.
23. Action arising out of these progress meetings mainly comprised directions to those in direct contact with Pathway developers to seek resolution and report back.
24. Earlier in 1998, Pathway produced their high level Infrastructure and Roll Out Plan. The purpose of the Horizon implementation team at this time was to interface with Pathway to provide assurance on the viability of the roll out plan and informed input on its construction relative to the Post Office estate.
25. Initially the contract envisioned Pathway as the prime mover in setting dates, timescales, processes for migration at offices and staff training.
26. Much of this became integrated with the POL Horizon Implementation team and further incorporated required physical changes to offices, liaison with logistics and feedback of issues with migration from office-held data to the Horizon platform. Importantly it assessed training and communication from initial contact through the training episodes themselves and to post-implementation support.
27. I had overall responsibility for the POL Horizon Implementation Team and issue management with BA and Pathway and was a sign-off authority for the roll out Plan.
28. As I recall, the technical interface provided to support migration did not always perform a smooth transfer of data from the existing manual cash account on to the Horizon platform. There were also issues around the need to close offices and the time taken to complete the migration, sometimes into late hours.
29. Training had been an issue with Pathway throughout the planning stage. There was an agreed extension of awareness training pre-installation and reinforcement on the day. Pathway eventually extended the content and time available but as I recall, were consistently unwilling to be involved in training needs arising from the impact

on inherited POL systems.

30. As far as I recall at that stage, some of the interface issues were addressed but Pathway were reluctant to engage with a system outside their development. Training was improved and again, as I recall, additional content and time allocated for each office implementation. However, training was consistently raised as a primary concern and eventually became the core of a formal Installation Incident (“ Installation Incident 218” ). These Incidents could be raised by BA and POL and were visible to all parties. They would normally address a perceived failure by Pathway to meet a required success criterion. They were then logged for discussion and resolution. A log of incidents is contained in POL00029130 (WITN0412\_01/02).
31. Testing continued in the Model Office environment and work on release of software for Live Trial continued. Integrated work with BA systems also progressed.
32. The substance of technical difficulties is reported in the documentation (WITN0412\_01/03; POL00028429). My position continued to be that of interpreting progress on problem resolution relative to moving into Live Trial and Roll Out from a logistical, support and communication perspective.
33. Various forums existed; principally the Checkpoint meeting with Pathway, POL Horizon Management Team Meetings and with BA through the CAPS Board Meetings.
34. As I understand, the technical issues were addressed between the Horizon testing and release team and Pathway.
35. Testing continued on the functionality associated with the Pathway release for Live Trial. I believe much of the end-to-end testing was done in the model office Environment.
36. I understood, that concerns remained in end-to-end testing and with the robustness of reference data for development of the migration processes.

37. My source of understanding was via the reports submitted to the POL Horizon Team Meetings.
38. The Post Office and Benefits Agency by then were moving in different directions relative to an integrated solution featuring a payments card. My perception was that different positions were developing on the scope and adequacy and outcomes of testing as expressed through their Programme Board. Their major concerns appeared to be the impact of failure on the security and viability of the overall benefit payment system and its constituent parts. I believe they reserved their position on release authorisation until assurances that their concerns were addressed.
39. The preparation of Post Office branches for automation was part of an extensive roll out plan, integrated with Pathways programme of logistics – particularly the assurance of the delivery of equipment to post offices as required by the roll out programme and the availability of teams to check the connectivity to each office. This sat alongside the training and communication plan, and the development and testing of user manuals
40. Training had been tested ahead of the scheduling of Live Trial and there were expressed concerns by the POL implementation team about the time being made available to each office by the Pathway training schedule. This and other issues were being negotiated through the incident resolution process. The key Incident was no. 218 (referenced in para 30 above) and was increasingly a part of high-level exchanges between POL and Pathway (WITN0412\_01/04; FUJ00079159). In essence we were increasingly concerned the product was not fit for purpose.
41. The Pathway-developed migration tool, for transfer of office data to the Horizon platform experienced early difficulties.
42. The call up and availability of Sub Postmasters and their staff in offices was also predicted to be on-going difficulty. As I recall, office closures were largely to be avoided. Migration on to the system was at risk of being drawn out and complex.

43. Through negotiation with Pathway, migration technology was improved. The POL implementation team stood its ground but a conclusion of the training issues was not achieved until the latter part of 1999.
44. My understanding was that the underlying system was robust and that errors and bugs would be resolved as installation progressed. The training product had been tested and refined but was still not regarded as acceptable.
45. There was a view that delivery into the Sub Office estate would be affected by the age, experience and technical awareness of Sub Postmasters and their staff but that would improve with usage and confidence in the system as long as training and support was effective.
46. The hugely complex processes surrounding the physical readiness of outlets to receive and install the horizon equipment was given significant attention and back up plans were instigated. It was around this time that Pathway carried out a reorganisation of their Implementation Team.
47. The period from May to September 1999 covers the initial responses to the limited live trial and leading up to the conditional acceptance for roll out. At that time, I understood additional testing was carried out in the model office environment to replicate issues in outlets. There was a high-level register of revealed issues which was constantly addressed in discussions with Pathway.
48. As I recall, and with the help of the released documentation, the technical difficulties at that time included system lock outs, discrepancies in cash accounts – and although not specifically technical – deficiencies in the support at the Horizon Support Helpdesk for advice and resolution of incidents.
49. Technical (plus logistical and training) issues were referred to the POL Horizon Acceptance Forum which met regularly with representatives from Pathway.
50. All high and medium level incidents were addressed with a view to downgrading prior to an acceptance decision. Incidents, such as screen freezing and printer failures

were listed for intervention between Pathway and the testing teams. Work towards resolution was kept under review through documents submitted to POL and joint forums with Pathway. (Documents WITN0412\_01/05; POL00028332 is an example.)

51. Training was a major success criterion for acceptance and continued to generate concerns despite intensive negotiations with Pathway. I recall a succession of letters between myself, the Pathway CEO and ultimately at ICL Director level. Concessions and improvements had been made to the training content itself and on the level of understanding and motivation at outlets in advance of formal training. Concerns about the user guides being developed alongside training were addressed.
52. It was recognised that support would be required after an office went live, particularly while the functionality of the Horizon Support Helpdesk provided by Pathway was limited. POL made a significant investment in the deployment of its line management resource to support balancing in particular and also general aftercare for outlets. Training was provided by Pathway.
53. A series of joint workshops with Pathway was instituted. Agreement was reached on a level of pre-training – I think at selected outlets where concerns were identified. Additional content in the training scripts was introduced with additional in-office time and the entire POL line management resource was to be trained on the Horizon Field Support Officer course. Pathway were also required to provide training performance measurement and to share and follow up concerns
54. My understanding of the technical integrity and robustness of Horizon at this point was necessarily based on the information provided at the various levels of managerial scrutiny to which I was a party. I understood there were problems, particularly two high level incidents but that continued interrogation of the system and the degree of Pathway intervention demanded, meant that solutions were identified, being developed and could be applied.
55. I understood there was sufficient evidence that demonstrated the basic operational integrity of the Pathway solution and that sufficient evidence was emerging from the Live Trial operation of the capacity of Pathway to respond with technical intervention

when incidents arose.

56. I could only reflect the experience of the technical teams and the reports generated partly because I was not operating in a technical capacity, partly because we accepted assurances from Pathway, within the contract parameters that outstanding issues could be resolved within acceptable timescales and would be subject to satisfactory evidence.

57. By the time roll out was commencing, my role within the programme was limited and decreasing and a team was in place to manage the physical and logistical aspects of roll out. My role within the Post Office Horizon team ended towards the end of 1999 and I moved on to other responsibilities.

58. From my perspective and recollection, the main input from end users was through the working forums set up during trial and early roll out, involving:

- the Heads of Retail Network, who managed the Retail Line structure and had responsibility for offices in their geographical jurisdiction.
- the management team from the evolving service support centre.
- the Post Office implementation team.

One concern to emerge was the existence of 3 different support centres as the position was rationalised, so that users faced a complex set of decisions and advice.

59. The main concerns were about problems balancing at the end of the weekly accounting cycle and the level of support provided to individual outlets as they came on stream.

60. Throughout the whole period of my involvement with the programme I had frequent meetings with the NFSP Executive and individual representatives. This was mostly to keep them abreast of developments and particularly the roll out plan and timescales.

61. I can only recall the NFSP position in the early stages of trial and roll out to be supportive. As the number of offices going live increased, they reported more issues

being referred to their local representatives. I do not recall them expressing fundamental concerns about the abilities or robustness of the system.

62. From this perspective, 20+ years later and knowing the history during the intervening years of the experiences of some Sub Postmasters, it is easy to suggest some more effective scrutiny might have taken place. Other people will be better placed to comment. I will have to reinforce the view that the contractual relationship with Pathway was not supportive of enquiry or intervention – whether on technical details or in training or logistics.
63. Having read through the extensive cache of documents which I received, my overall impression is of the intensive work and the comprehensive reporting mechanism which informed decisions on the viability of the programme. I can only reiterate the concerns expressed by those closest to the solution of the difficulties of interrogating the Pathway technical architecture beyond a level of demonstrated functionality.
64. With the benefit of hindsight and the challenging documented stories, this question almost invites any of us involved in the programme to suggest more might have been done. However, it would be reasonable to say that the early experience of trial and the feedback from both the Sub Postmasters themselves and their retail line managers might have signalled more clearly a concern about underlying problems in the software system.
65. This would be a more legitimate criticism had there been the access and opportunity, rather than accepting assurances from Pathway that they were to be expected in early stages and would be fixed. From my recollection and retrospective analysis, there were so many competing issues and interests, it is perhaps the voice of the user which could have been given a greater degree of consideration.
66. Having reread some of the initial documents and the latest batch recently released, there are some key aspects which have become clearer to me. We did believe in the validity of the system. It was being launched into a population of widely varying technical and cultural backgrounds. The amount of time and effort devoted to the training solution underlines a genuine belief that education, training and support

were the keys to success and that confidence and ability to interface with the system could be attained for the vast majority of users.

67. We need also to remember that widespread use of mobile phones, laptops and tablets did not form part of the experience of almost all of the thousands of people working in the Sub Office estate. It was a quantum leap for many of us. The whole programme, logistically, was a vast enterprise constructed, with some pride, by the POL and Pathway teams, involving pre-installation visits, outlet modifications, equipment availability and the whole training and support mechanism – all to an estate which initially incorporated 19,000 outlets and many multiples of operating positions. The lead in times to these activities could stretch to months and even years.

68. Stopping and resetting this gigantic process had many implications. It was a leviathan, additionally encumbered by contractual conditions and government scrutiny.

### Statement of Truth

I believe the content of this statement to be true

Signed.

**GRO**

Dated... 17 September 2022

**Index to First Witness Statement of Bruce McNiven WITN0412 01**

	<b>Exhibit No.</b>	<b>Document Description</b>	<b>Control Number</b>	<b>URN</b>
1	WITN0412_01/01	PA Consulting Group: Review of BA-POCL Programme 1 Oct 1997 and Outline of the Proposed End State and Transition Project for the Support of Automated Services, Post Office Counters Ltd, 29 June 1998	POL-0024574	POL00028092
2	WITN0412_01/02	Letters between Bruce McNiven and John Dicks, and associated Acceptance Incident Forms	POL-0025612	POL00029130
3	WITN0413_01/03	Memo from Andrew Simpkins, Horizon Release Management re Horizon Testing & Programme Plan - Current Status, 4 December 1998	POL-0024911	POL00028429
4	WITN0412_01/04	Letter from John Dicks to Bruce McNiven, 11 August 1999	POINQ0068747F	FUJ00079159
5	WITN0412_01/05	Horizon Programme, Management Resolution Meeting Minutes, 12 August 1999	POL-0024814	POL00028332