

Witness Name: Sir Norman Lamb

Statement No.: WITN10170100

Dated: 11 November 2024

## POST OFFICE HORIZON IT INQUIRY

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### FIRST WITNESS STATEMENT OF SIR NORMAN LAMB

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I, Norman Lamb, former Parliamentary Under-Secretary of State for Employment Relations and Postal Affairs, will say as follows:

#### **Introduction**

1. I make this statement in response to the Inquiry's request for evidence dated 26 September 2024 ("the Rule 9 request"). I have prepared it with the support of the Government Legal Department and counsel, and I have relied on others to provide me with relevant documents.

#### **Professional Background**

2. Prior to my election to Parliament in 2001 I was a practising solicitor and partner of a law firm based in Norfolk which was, at that time, called Steele and Co. In the last few years prior to my election to Parliament I specialised in employment law.
3. I was elected to Parliament at the 2001 General Election, representing North Norfolk as a Liberal Democrat. In the period between 2001 and 2010 I held a number of different positions within the Parliamentary Party. I was first a junior Shadow International Development Minister. I also had a period working as Charles Kennedy's Parliamentary Private Secretary ("PPS"). I was on the Treasury Select Committee from 2003 to 2005. After the 2005 general election,

I was promoted to Shadow Secretary of State for Trade and Industry. Subsequently, I served as Menzies Campbell's Chief of Staff and was then made Shadow Health Secretary in 2007.

4. After the 2010 General Election I became an assistant government Whip. I was also appointed as PPS to Nick Clegg, the Deputy Prime Minister, and became his chief parliamentary and political adviser.
5. I then became Parliamentary Under Secretary of State ("PUS") with responsibility for Employment Relations and Postal Affairs, in what was then known as the Department for Business, Innovation and Skills, on 3 February 2012. Sir Vince Cable was the Secretary of State.
6. On 4 September 2012 I was appointed as Minister of State for Care and Support in the Department of Health. My portfolio included mental health, social care, learning disability and autism and integrated care. I stayed in this post until the General Election in 2015.
7. Following the 2015 election, I stood for the leadership of the Liberal Democrats after Nick Clegg stood down. I lost to Tim Farron. I was subsequently appointed as Health Spokesperson for the Liberal Democrats. After the 2017 General Election, I was elected Chair of the Science and Technology Select Committee. I held that position until I stood down from Parliament at the 2019 General Election.
8. In 2019 I was appointed to chair the Advisory Committee for Kooth, the digital mental health company. I continue now as an adviser to the company. This involves about 3 days' work per month. In March 2020 I became Chair of the South London and Maudsley NHS Foundation Trust, a mental health trust. I still hold that position. In 2023 I was appointed as a member of the advisory committee of a company called AlertACall, a digital social care company. I continue in that role.
9. I have not been involved in any work or professional dealings relating to Post Office Ltd following my period as Minister.

### **Knowledge of Horizon and prosecutions**

10. At some point between 2010 and February 2012 I recall that I was contacted by a subpostmistress in my North Norfolk constituency. She was being prosecuted by the Post Office who alleged that she had stolen from her post office in Worstead. I wrote on her behalf to Ed Davey, who was at that time the Minister responsible for postal affairs. I therefore had some understanding of the belief amongst subpostmasters (“SPMs”) that they were being unfairly prosecuted prior to my appointment as Minister.
11. I do not recall having any further knowledge of the Horizon IT system prior to my appointment as Minister, including its integrity and remote access, other than taking up this constituent’s case in North Norfolk. I do not recall details of our discussions other than understanding my constituent’s very clear sense of injustice at being prosecuted, and I had no reason to doubt her. I had probably read some of the media coverage of the concerns about Horizon. I think I was aware that it was Royal Mail which had pursued prosecutions of SPMs and had secured convictions. However, I did not know who in Royal Mail was responsible for the investigation into alleged offences, the decision to prosecute or the conduct of those prosecutions.
12. I do not recall what, if any, briefing I received on the Horizon IT system and related complaints by SPMs when I started as Minister. I understand that my ‘day one’ briefing documents from the Department cannot now be located due to the passage of time. The main development in relation to Horizon by the time I moved to the Department of Health in September 2012, as I explain further below, was that a decision had been taken by POL to commission independent forensic accountants to investigate complaints about Horizon. I was reassured by this, but Second Sight had not yet been appointed and so I had no involvement with their work, nor did I see their reports. The Simon Clarke advice, Deloitte reports or Swift Review also all post-dated my time as Minister.

I only heard about them by following more recent media coverage about the Post Office's handling of the prosecution of SPMs.

### **Role as Parliamentary Under-Secretary of State**

13. I had a wide portfolio which covered competition policy, consumer affairs, employment, trade policy, Royal Mail and the Post Office and a number of other areas of responsibility. I was on three European councils – employment, trade, and competition – which involved regular visits to Brussels, travelling by Eurostar.
14. I held the position of PUS in the Department for about seven months only and during that time I took a major Bill through Parliament – the Enterprise and Regulatory Reform Bill. This required a very substantial amount of preparation with the passage through Parliament starting relatively soon after I joined the Department.
15. I know that the Inquiry has already had substantial evidence about what it is like being a Minister within the Business Department, the breadth of the portfolio, the demands on time and the way in which the Ministerial box and Private Office function. In particular, I have seen that my immediate predecessor and successor in the role – Sir Ed Davey and Jo Swinson – have explained this in detail. I have little to add to their account, which was very similar to my experience.
16. I would say that postal affairs probably took up around 10-15% of my time as Minister. Other matters such as the Enterprise and Regulatory Reform Bill, employment policy issues, Royal Mail and the work with the European councils took up a lot of my time and energy. Within that part of the portfolio the Horizon issues took up very little time from the Department in terms of briefings, correspondence or meetings. The decision already referred to, to commission independent forensic accountants to investigate the serious concerns raised by SPM seemed like an appropriate way of establishing the truth. Other issues such as pursuit of opportunities to develop new income streams for Post Office were considerably more the area of focus. This is reflected in a letter from myself to other MPs dated 20 April 2012 providing a general update on postal

affairs (**BEIS0001224** That said, I certainly thought the Horizon complaints were important when they were drawn to my attention, primarily through correspondence from other MPs, because of my experience with my constituent. That was the case even before I met Sir Alan Bates in June 2012.

17. The Inquiry has already had a great deal of evidence about how Ministerial correspondence works. Generally, the protocol was that Ministers would respond to letters from MPs, and letters would be drafted on my behalf to review and sign, whereas officials would respond on my behalf to letters from others, without my involvement. An example of the latter is the letter I have been provided with whereby Mike Whitehead of ShEx responded to Gina Griffiths, the wife of an SPM, in August 2012 (**UKGI00013950** ).

18. In relation to correspondence, I was not in the habit of signing letters without thinking about their contents, even if the time I had to consider them was limited. I would and did reject draft letters on occasion. I cannot recall now with any clarity what I thought about the draft responses I was provided with by my officials in relation to Horizon issues, but I think I would have taken the view that a formal response setting out the official position, based on information provided to the Department (or more specifically ShEx) by POL was acceptable, but this did not mean that it was the only way to follow up on such correspondence. I would have been conscious that behind the scenes I had agreed to meet with Sir Alan Bates and, during my time as Minister in the department, I had been informed that there would be an independent investigation, of which I was very supportive. So, I think that I would have felt that stating the formal position was acceptable, as it was not dismissing the concerns and it was not the limit of what I was doing.

#### Oversight of POL

19. I was responsible for Post Office policy and oversight of Royal Mail Group ("RMG") and Post Office Ltd ("POL").

20. I was supported in fulfilling my responsibilities by my Private Office, and by civil servants in the Department and the Shareholder Executive ("ShEx"). My recollection, as with that of Ed Davey and Jo Swinson, is that it was officials

from ShEx who briefed me on Post Office issues and attended meetings as the relevant policy experts. I note, for example, from paragraph 66 of the opening submissions to the Inquiry from UK Government Investments (“UKGI”), the successor to ShEX, that when I met with Sir Alan Bates it was two representatives of ShEx who attended with me. It would also have been usual for a member of my Private Office to attend meetings.

21. From memory I would receive regular submissions from civil servants, primarily those in ShEx, in relation to postal affairs. I cannot recall how often I had meetings with ShEx or oral briefings from them. I also met with the CEO of POL, Paula Vennells, and the Chair, Alice Perkins. I cannot recall how many times I met with them during the seven months I was in the Department, and have not been provided with any minutes of meetings, but it was not very often. I have seen a document that shows I attended a launch event for the POL Network with Paula Vennells on 7 March 2012, for example (**BEIS0001227** ). I also remember Paula Venells coming up to North Norfolk to visit a local sub post office with me. I have also been shown a letter from Alice Perkins to me dated 3 May 2012 asking for greater remuneration for Paula Vennells (**BEIS0001226** ) and the proposed response for me to send dated 12 June 2012 (**BEIS0001225** ) which recommended caution in light of discussions about short and long-term incentive plans for her and Chris Day being developed.

22. During my time as Minister, I focused on exploring the potential for making POL a social enterprise owned by SPMs through the process of mutualisation. I was enthusiastic about the principle of SPMs owning the post office as a mutual company. During this period, the government was developing its response to the consultation on mutualisation. I was briefed to attend a stakeholder meeting about this on 9 May 2012, with Paula Vennells and ShEx representatives in attendance, amongst others (**BEIS0001222** ). I have not been provided with any record of this meeting. Just before this meeting ShEx provided me with a note for my information about a workshop on mutualisation hosted by POL that reflected concerns about mutualisation (**BEIS0001223** ). That corresponds with my general recollection that there was resistance to the idea of mutualisation from POL, although I cannot recall further details as to why. I simply have a

recollection that Paula Vennells and Alice Perkins did not embrace the idea, whilst not dismissing it entirely.

23. I met with the National Federation of Sub-postmasters (“NFSP”) and spoke at their conference. I do not remember them raising any issues about Horizon or prosecutions, although they seemed willing to challenge POL on other matters. I recall that during my time as Minister there was a lot of concern about the continuing viability of the post office network and consideration of new forms of income, the potential for post offices to have a role in offering financial services and the possibility for post offices to have a role as the ‘front office’ for government, local and national.

24. I understood that the Government’s role in relation to POL was as the shareholder. I can understand why, on establishing RMG and POL, it was seen as appropriate to try to run it on a commercial basis without interference from the Government. I had no particular reason to doubt that this was an appropriate model at the time. However, the fact is that the model failed to provide good governance and the Government’s representative (from ShEx and latterly UKGI) on the POL Board failed to challenge the Board effectively. This now clearly requires rethinking.

25. All the standard replies to letters from MPs about Post Office issues, including Horizon and the prosecution of SPMs, which were drafted by the Department and ShEx’s civil servants emphasised the arms-length nature of this shareholder relationship and that it was not appropriate for the Department or Ministers to interfere in operational matters. I understood this to mean that day to day decisions and processes were for POL to deal with, but my role was to handle questions in Parliament on POL’s behalf and also have an inquiring mind, being willing to challenge, and to take concerns raised with me seriously, to have an interest and ask questions of POL whilst recognising the shareholder relationship. I generally thought that the role of a Minister was to act with curiosity about their portfolio, and that included the arms-length bodies for which they had responsibility. In terms of the actual levers or powers I had as Minister, I think I understood these to be largely ‘soft power’. The only hard power I (or rather, the Secretary of State) had was to replace the CEO and

Board, but otherwise it was a power to ask for meetings, ask questions or get officials to ask questions on behalf or make recommendations to POL.

### **Knowledge of complaints about Horizon**

26. During my time as Minister, I did not ever receive any information from POL or within ShEx or the Department to suggest that there were widespread errors within Horizon. Quite the opposite; the consistent advice was that there was no evidence of such a problem.
27. However, I received a letter from Alan Bates (now Sir Alan) on behalf of the JFSA soon after I was appointed to my role in the Department in February 2012 (**POL00107331**). I cannot recall the specific basis of my decision, but I had already written on behalf of a constituent SPM who had been prosecuted, prior to my appointment as Minister, and I was clearly struck by the concerns and decided it was appropriate to meet with him (**UKGI00000041**). I have not seen any documents to show whether I was advised by my officials to meet him or not, but my instinct would have been to have the meeting. I would have had in mind my constituent's case; I remember having the feeling that there was something disturbing about what had happened to her, and although I did not know her well I had the distinct impression that she was not the kind of person who would steal. I also generally had a modus operandi of wanting to hear complaints or challenges, rather than accepting the official or party line on an issue. When I was at the Department of Health, for example, I went against the advice of officials to set up the independent investigation into the deaths at Gosport War Memorial Hospital in the 1990s.
28. In February 2012 I was also invited to a meeting chaired by James (now Lord) Arbuthnot about the same issues. The invitation was made by Jim Withers, who had run the Cromer post office between 2006 and 2008 (**POL00417085**). The email from my then Private Secretary to Peter Batten in ShEx (**POL00417085**) asks for advice with the comment 'Assume a decline' (i.e. the assumption is that the advice would be to decline to attend the meeting). Frustratingly, I have not been provided with the ShEx response so cannot see what their advice actually was.



29. It is clear that I did not go to the meeting but frustratingly I have no recollection of the request or of the decision not to attend. I also do not know whether it was even possible for me to attend, given the incredibly heavy schedule I had and the major piece of legislation I had to take through Parliament. However, I would say that the Departmental view appears to have been that it was not appropriate for the Minister to attend. I have reviewed the briefing prepared prior to that meeting (dated 9 March 2012) in which I am referred to in the third person and it is noted I declined the invitation (**POL00418017**). Whilst I do not remember receiving it at the time, on reading it now I am left with a sense that the briefing lacked curiosity as to why so many SPMs were being prosecuted and dismissed. It also fails to refer to the survey results which Sir Alan Bates had by then sent to us, which seemed to contradict the view that shortfalls were a rare occurrence. I wish I had attended, but I subsequently did meet directly with Sir Alan Bates which demonstrated my willingness to listen to the concerns of campaigners.

30. I met Sir Alan Bates on 28 June 2012. Very frustratingly, there does not appear to be a minute or note of this meeting that has been kept by the Department or UKGI (at least not that has been found or made available to me). I find this very odd. In particular, paragraph 66 of the opening submission to the Inquiry from UKGI is written in a way which suggests that there was some record of the meeting. Because of my concern over the absence of a note of this meeting, I made a subject access request to the Department dated 5 August 2024. My request has been acknowledged but I have not yet received a substantive response. This means that I am left with only my unaided memory of a meeting over 12 years ago. In truth, I do not recall any details of our discussion now, but I have seen the evidence Sir Alan gave to the Inquiry and it is clear that he felt that I understood the concerns he was putting to me and took them seriously. This is exactly how I would imagine I would have reacted.

31. I have been shown the briefing that I was given before that meeting (**UKGI00000065**). There does seem to be in this document a sense of wanting to hide behind the arms-length 'operational matter for POL' principle. I also note that it suggested I be in 'listening mode' for the meeting and recommended

caution in what I said in case it was used as part of litigation. I cannot now remember exactly what I thought of this at the time, but given my general view was that it was my role as Minister to be curious and to listen I would have noted it but also be determined to hear what Sir Alan had to say and take action if I needed to.

32. 'Listening mode' was not the extent of what I thought my role was, nor what Sir Alan Bates himself seems to have understood from our meeting. I cannot say for sure now what my mindset had been, but I do know I had personal knowledge of these Horizon concerns from before I joined the Department from my constituent's case, that Sir Alan Bates seemed to understand at our meeting that I "got it", and that my general approach was to be curious and hear challenge or complaints, so I do not think that reflects a sense I was passive as Minister.

33. I would have noted in particular that the briefing said POL had now agreed forensic accountants would be engaged '*to investigate the [Horizon] system and give further comfort to those concerned about these cases*'. I did take significant reassurance from this. From my perspective as the Minister at the time it would have seemed a positive and appropriate step that this independent investigation would be commissioned, and I hoped and expected that this would get to the bottom of the issue. I am confident it would have done so, or at least started to do so, had POL not subsequently terminated Second Sight's involvement, which was an extraordinary decision, albeit one that was taken some time after I left the Department.

34. During my time as Minister, I received a series of letters from MPs about the experience of SPMs who were their constituents. I have reviewed my replies to these letters dating from February 2012 - March 2012 (**UKGI00014057; UKGI00013948; UKGI00014031**). As I set out above at paragraph 17, these kinds of replies were drafted on my behalf. The replies to these letters initially took the formal line (I assume informed by information given by POL to ShEx) that POL had confidence in the Horizon system; that it was an operational matter for POL; and that the Department could not get involved in individual cases. This was also the case with the letter drafted for me to send to Kevin

Barron MP in June 2012 (**UKGI00013907** ). However, once the decision had been taken that POL would commission independent forensic accountants to review the system, this became the main point made in the replies drafted for me. This can be seen from July 2012 and August 2012 responses to Albert Owen MP (**UKGI00013766** ), Stephen Hepburn MP (**UKGI00013794** ), and Priti Patel MP (**UKGI00013857** ).

35. As referred to above, a similar response was sent on my behalf by officials to Gina Griffiths, whose husband was an SPM (**UKGI00013950** ). I do not think I would have ever seen this last correspondence, as I left the Department to move to the Department of Health very shortly after this letter was received and probably before the response was sent.

36. Similarly, nearing the end of my time as Minister, my Private Office received several letters in relation to Horizon which I doubt that I myself saw given they were received during August and just before I left my role. The first was a letter from John Pugh MP, that refers to my interest in the proposed forensic accountant investigation (**UKGI00001443** ). This letter specifically refers to the fact that I was *“on record as saying that JFSA victims (people effected [sic] by apparent glitches in the Post Office accounting software) need to be happy with the forensic accountants needed to look into it.”* This demonstrates that I was taking their concerns seriously.

37. The second was a letter from Laurence Lee & Co Solicitors detailing an SPM's ongoing prosecution for false accounting linked to Horizon (**UKGI00001446** ). This letter refers to an upcoming “investigation” into Horizon, which I can only assume refers to the proposed forensic accountant investigation. I do not recall this being brought to my attention and as I have said above it is unlikely it was because of the timing of the letter.

### **Reflections**

38. The Inquiry has asked me to reflect on my time as Parliamentary Under Secretary of State and whether there is anything I would have handled differently, with the benefit of hindsight, in relation to the oversight of POL.

39. Whilst at the time I was excited to get a promotion to the role at the Department of Health in September 2012, I do have a sense of frustration that the rapid turnover of Ministers can make it hard to follow through on issues. After having met with Sir Alan Bates and established some rapport, I left the Department just over two months later and was therefore unable to take the learning from that meeting and apply it to the handling of the independent forensic accountant review and ensure it was brought to a conclusion.
40. I believe that the governance arrangements have been found seriously wanting. Although the Post Office is run as a limited company, it is wholly owned by the Government and so it is still important for Ministers and officials to have a curious mind and to be willing to challenge the company if issues of concern emerge. This applies in particular to ShEx and its successor UKGI. As shareholder representative of a publicly owned company there was clearly a responsibility to ensure that the company was behaving properly. I have subsequently reached the conclusion that they failed to do that. I noted a report by Andy Verity of the BBC dated 26 January 2024 which referred to evidence that emerged through the Inquiry about unredacted minutes of meetings of the Project Sparrow sub-committee of the POL Board. The ShEx representative on the POL Board at the time, Richard Callard, was on that sub-committee. It decided to end the role of Second Sight, the forensic accountants who had been appointed to investigate the claims about the Horizon system, and so the ShEx representative was aware of and participated in that decision, which seems to me a significant failure of oversight. However, I do not know what he was told by POL to satisfy him that terminating their role was appropriate.
41. I do not have a clear view as to the best reform to current arrangements, although I do believe that my interest in establishing a mutual social enterprise owned by SPMs to run POL (mutualisation) could have addressed the appalling behaviours of POL. Would a mutualised company with SPMs in control have ever allowed this scandal to continue?

**Statement of truth**

I believe the content of this statement to be true.

Signed:

**GRO**

Dated: 11 November 2024

## Index to Witness Statement of Norman Lamb

No	URN	Document Description	Control Number
1	BEIS0001224	Letter from Norman Lamb dated 23 April 2012	BEIS0001224
2	UKGI00013950	Letter to Gina Griffiths from Mike Whitehead dated 30 August 2012	UKGI00013950
3	BEIS0001227	RMPO Comms Handling March 2012 CDR input 28.02.12 1 CLEAN	BEIS0001227
4	BEIS0001226	Letter to Alice Perkins from Norman Lamb dated 3 May 2012 re Chief Executive's Remuneration	BEIS0001226
5	BEIS0001225	Briefing to Norman Lamb dated 12 June 2012 re Post Office Limited- Paula Vennell's Base Salary	BEIS0001225
6	BEIS0001222	Briefing to Norman Lamb dated 3 May 2012 re Building a Mutual Post Office: Round-Table Meeting with Stakeholders	BEIS0001222
7	BEIS0001223	Note of Mutualisation Workshop hosted by Post Office Ltd	BEIS0001223
8	POL00107331	Letter from JFSA to Norman Lamb MP dated 25 <sup>th</sup> February 2020 requesting a meeting and enclosing a survey	POL-0105639
9	UKGI00000041	Letter from Norman Lamb MP to Alan Bates dated 4 <sup>th</sup> April 2012 re: JFSA and survey of serving sub-postmasters.	VIS00001002
10	POL00417085	Email from MPST Lamb to Peter Batten CC: Will Gibson and Kate Wake RE: EX Sub Postmasters Meeting dated 14 February 2012	POL-BSFF-0237236
11	POL00418017	Briefing Note On The Current Status Of The Claims Involving Horizon	POL-BSFF-0237276
12	UKGI00000065	Briefing for Norman Lamb from Mike Whitehead ahead of meeting with Alan Bates dated 27 June 2012	VIS00001026
13	UKGI00014057	Letter from Norman Lamb MP to Edward Garnier QC MP dated February 2012 RE: SPM/constituent Mr Kamaljit Kooner's request for meeting due to termination	UKGI024850-001
14	UKGI00013948	Letter from Norman Lamb MP to Stephen Hepburn MP dated March 2012 re concern raised by Carol Riddell (East Boldon Post Office) about the Horizon computer system - Financial discrepancies	UKGI024741-001
15	UKGI00014031	Letter from Norman Lamb MP to Alok Sharma MP dated March 2012 re: Michael Wilson and problems with the Post Office computer system.	UKGI024824-001

16	UKGI0001390 7	Letter to Kevin Barron from Norman Lamb dated June 2012	UKGI00013907
17	UKGI0001376 6	Letter to Albert Owen from Norman Lamb dated July 2012	UKGI00013766
18	UKGI0001379 4	Letter to Stephen Hepburn from Norman Lamb dated August 2012	UKGI00013794
19	UKGI0001385 7	Letter to Priti Parel from Norman Lamb dated August 2012	UKGI00013857
20	UKGI0000144 3	Letter from John Pugh to Norman Lamb dated 20 August 2012	UKGI00001443
21	UKGI0000144 6	Letter from Norman Lamb to Brigitte Waters dated 23 August 2012 re Our Client Anne Nield (DOB 4/3/1953) of 10 Buckingham Road, Liverpool L9 4RD	UKGI00001446