

Witness Name: Vincent Gaskell

Statement No.: WITN0414_01

Exhibits: WITN0414-01/1 to WITN0414-01/9

Dated: 15 August 2022

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF VINCENT GASKELL

I, Mr Vincent Gaskell , will say as follows:

1. Before my retirement in 2010, I had been civil servant throughout my career. My experience included a range of junior and senior management operational roles before progressing into project and change management roles within the Benefits Agency, BA, including programme management for the agency's Customer Accounting and Payment System(CAPS). Subsequent roles included the Change Director within the Child Support Agency, then Chief Executive of the Criminal Records Bureau within the Home Office. My last role before retirement was as a board member of the Identity and Passport Service within the Home Office.
2. This witness statement is made to assist the Post Office Horizon IT Inquiry (the "**Inquiry**") with the matters set out in the Rule 9 Request dated 30 May 2022 (the "**Request**").

3. I have been asked to set out the background of my involvement in the Horizon project. I had no direct involvement in the Horizon project but, in late 1997 I was asked to be the Programme Manager for the Benefits Agency Customer Accounting and Payments System, CAPS. I had no involvement with the programme before that date. I reported to the Benefits Agency's Programme Director who had overall responsibility for the Agency's involvement in the BA/POCL (Post Office Counters Limited) programme as I understood it to be called then.
4. As the CAPS programme manager my focus and responsibilities were primarily on the development of CAPS and the links to benefit systems. For example after I took over the programme, my team prepared for and managed the upload of millions of benefit recipients records on a regular basis onto CAPS systems. In addition we had to train many thousands of BA staff to use the new systems. So my information about the progress on the Horizon system only came from the reports I received before each Horizon service delivery board meeting or from the reports the Post Office submitted to the Caps and Card Programme Board chaired by the programme director. The Programme Design Authority had a more active role in following the development of the Horizon system.
5. In addition, BA/DSS (Department of Social Security) Finance colleagues had a role in continuing to make sure there was integrity in the benefit payment system (they were the experts) including with card payments. I do not recall them raising an issue about duplicate or incomplete transactions but I cannot be certain.
6. I continued as Programme Manager until early 1999 (I think February) when I became the Programme Director for the Benefits Agency's role in the BA/POCL

programme which included the ongoing oversight of the CAPS programme. I also became responsible for leading the BA's input to the Department of Social Security and their involvement in the HMT (HM Treasury) review of the overall programme. As the programme director I also assumed responsibility for the ongoing commercial and contractual matters with the Post Office and ICL for the Payment Card programme.

7. Shortly before I became the CAPS Programme Manager there had been a major replan undertaken and agreed between the BA, Post Office Counters Ltd and ICL Pathway. My role was to have overall responsibility for the development and implementation of CAPS systems in support of the Payment Card Scheme within the BA/POCL Programme.
8. This included: ensuring the CAPS Programme successfully implemented its major software releases on time; ensuring that the Agency's Benefit Systems had viable plans to migrate onto CAPS successfully and on time; developing and implementing training plans for all BA staff in the use of CAPS systems; ensure there were effective overall project management controls in place for CAPS; and to ensure effective working relationships with the overarching Programme Design Authority. I was accountable to the BA Programme Director and reported to the CAPS Programme Board.
9. My role on the Release Authorisation Board I believe was to provide assurance and progress reports on CAPS and to respond to queries. In addition, if there were any issues identified by the Release Authorisation Board that might have had a direct impact on the development of CAPS, I would report those issues to the CAPS programme board together with any impact assessment. The

Board would also receive reports from the Programme Design Authority and from the Post Office Horizon team.

10. I have been asked to provide a brief explanation of the purpose and functions of; the Benefits Payment Service (BPS), Benefits Encashment Service (BES), CAPS and the Order Book Control System (OBCS). I cannot now recall the specific function of either the Benefit Payment Service, Benefits Encashment Service or the Order Book Control System and there may be others better qualified to do so.
11. CAPS - prior to the development of CAPS, there was no consistent way in which each of the Agency's Benefit Systems captured and recorded a customer's personal details. Each system made and recorded payments to customers from that specific system. The purpose of CAPS was to design, develop and implement a common and consistent way for BA staff to capture and enter a customer's personal details onto each benefit system and then to convert the existing case load on each system to the new way of recording those customer details. This also enabled the creation of a 'customer account' in which customer payments could be recorded in a consistent manner for all benefit systems. It also provided the means by which individual or combined benefit payments could be paid to a benefit recipient through a third party, for example the benefit payment card or through a bank by automated credit transfer.
12. I have been asked to describe the problems faced by the Horizon project in the Autumn of 1997 and my understanding about the technical integrity and robustness of Horizon at that time. As I recall, at the time I became the CAPS Programme Manager in the Autumn of 1997, the interfaces and data links between CAPS and ICL were already in place and working. Payment data for

some Child Benefit customers was being transferred and card payments in a few Post Offices were being made. Progress on CAPS was good and on schedule.

13. I cannot recall the detail but there were ongoing issues with ICL to agree more detailed dates for ongoing development and testing. These issues meant renegotiation and planning with each of the BA's benefit systems that all had their own individual work programmes to incorporate policy changes, benefit updating, or system upgrades. This became an ever increasing problem. Each change by ICL meant carrying out impact assessments with each benefit system and adjusting their work programmes accordingly which, at times, meant deferring much needed work on those systems. Each change in plan or schedule led to increasing frustration by BA managers.

14. As to problems and issues faced by the Horizon project, I cannot add any more information or comment than is contained in the Horizon Business Continuity Reports overseen by the Programme Delivery Authority (**Exhibits WITN0414-01/1, WITN0414-01/2, WITN0414-01/3 and WITN0414-01/4**). The day to day responsibility for the development and operation of the Horizon system was between the Post Office and ICL.

15. It was not my role to provide reports to Ministers at this time but as the Programme Manager for CAPS I reported to the Programme Director who chaired the CAPS and Card Programme Board. Progress reports on CAPS were submitted to him and the Board. Similarly, the Programme Design Authority provided regular reports for the Programme as a whole to the Director and the Board. At that time too, the Director was a member of the BA Management Board and reported to the agency Chief Executive.

16. I am not aware of feedback by users of the Horizon system other than through the Business Continuity reports. Some issues arose periodically with Benefit Card recipients but these were usually about process (customers unable to get to a Post Office) and resolved quickly.
17. The Horizon project proceeded and between January and May 1998 card payments to Child Benefit customers continued. From a CAPS perspective, though I cannot now recall the detail, as mentioned in **Exhibit WITN0414-01/5**, there were occasional and sometimes ongoing issues to resolve with ICL. Some of these, once analysed, were about process such as dealing with disabled customers. However there were also more significant software issues to resolve by ICL relating to inactivated cards that would have directly impacted on benefit customers. On these occasions we had to press ICL to explain why the problems were happening and to arrange urgent software fixes to resolve them.
18. The Horizon Service Delivery reports make clear, there was increasing concern being expressed by the Post Office from December 1997 onwards, about lost transactions and duplicate payments within the Horizon system. I have no recollection of these affecting card payments and they were outside of my area of responsibility. I cannot recall the detail and had no visibility of the specific nature of the transactions. My only information came from the service delivery reports provided the Post Office team to the Service Delivery Board.
19. I was aware that Post Office representatives were pressing ICL for a better understanding of why the problems were occurring and for quicker resolution of them through software fixes by ICL.

20. Those concerns expressed by the Post Office continued throughout the period and, as reflected in the Horizon Service Delivery reports, extended to transaction processing generally and the pace of resolution of the issues and problems.
21. Overall progress on the Programme, including from the Service Delivery reports, would have been reported to senior officials within the BA through the CAPS and Card Programme Board by the Post Office and the Programme Delivery Authority. I cannot recall what reports might have been submitted to Ministers.
22. During this period and throughout the payment card programme, my recollection of surveys of child benefit customers using the service did not produce any significant issues and was broadly neutral in their use of the payment card.
23. I have been asked to describe the problems faced by the Horizon project between June and December 1998. I had no responsibility for or direct involvement in the day to day operation of the Horizon system within the Post Office other than through the ICL/CAPS interface. To the best of my knowledge I only became aware of the issues and challenges the Horizon system faced from the Service Delivery Reports and my attendance at the Horizon Service Delivery Board meetings. It was evident that the Post Office had ongoing concerns about lost and duplicate transactions. The risk to business continuity in the Post Office was raised during this period by the Post Office and by the Programme Design Authority. There were also indications that the Post Office and ICL did not agree on the underlying reasons for the problems (**Exhibit WITN0414-01/6**).

24. By June 1998 the BA became aware that ICL had missed a key milestone in the development of their next major software release (**Exhibit WITN0414-01/7** issue 4). In addition a key element of their work for that release, the Data Interface Definition and Validation (DIDVR), had also been delayed. I do not recall the detail but CAPS, and the Benefit Systems, would need the DIDVR to complete the development work and preparation for future testing. This was a further erosion in the perceived credibility of ICL/Horizon plans.

25. Within the BA we were increasingly concerned about:

- the slow progress on resolving problems within the Horizon system as reported by the Post Office;
- The apparent lack of visibility by the Post Office of the design and development of some key elements of the Horizon system (for example EPOSS) and the reported lack of transparency by ICL. (**Exhibit WITN0414-01/7**)
- ICL missing some further key delivery dates (for example the completion of development work for their next software release due at the end of May 1998) and the lack of visibility of future plans from ICL. These matters are contained in the listed documentation provided.

26. These concerns were reported and discussed with senior managers in the BA and with the Post Office. Though the CAPS programme had met all its delivery dates and remained on schedule, the BA pressed the Post Office for a more realistic testing and implementation timetable for the next ICL software release date and a review of Service Delivery. The Post Office agreed to conduct a review of their Service Delivery with assistance from the BA. They also agreed

to discuss planning concerns with ICL. However the dates for the next ICL software release and future testing did not change as I recall.

27. Later in the year the Post Office reported that a major series of system tests of the Horizon system had failed to demonstrate the required integrity of the system and its interface to the Post Office domain. As a consequence the Post Office said that joint testing with the BA had to be deferred with further replanning needed. This phase of testing was an important stage prior to a 'Live Trial' in 1999 and acceptance.

28. I have been asked to comment on the Horizon project between January and May 1999. By early 1999 more details were reported of the problems, faults and issues that had been raised during the last phase of systems tests of the Horizon system (referred to as MOR3 and End to End 2 in the documentation supplied). We did not have the detail of the faults and PinICLs but the number and reported severity were of concern prior to a Live Trial and possible acceptance. However, as I recall, there were some significant issues faced by some Benefit Payment Card customers following a Horizon Data Centre Migration in May 1999. I cannot recall the specifics but it did lead to a number of emergency payments having to be made to some of the card customers.

29. In addition, and again I cannot recall the detail, I and senior management within the BA, were increasingly concerned about testing as a whole with ICL/Horizon. Paragraphs 7-14 of **Exhibit WITN0414-01/8** set out the major issues as we saw them. These included: the scope of testing (paragraph 7-8); how BA and the Post Office viewed the outcome of recent test runs (paragraphs 8-13); the lack of detail behind test results conducted between the Post Office and ICL (paragraphs 12-15); the lack of visibility of the severity of the PinICLs found in

the last test run. These and the planning delays affected the confidence of BA managers in how best to proceed specifically in relation to replanning and testing (paragraphs 16-21).

30. There was a clear difference of view between the BA and the Post Office on how best to proceed which is set out in paragraphs 24-31 of **Exhibit WITN0414-01/8** and those views were fed into the HMT review at that time.

31. The BA continued to press for another round of testing before entering the Live Trial and extended Post Office roll out. The Post Office disagreed and subsequently the BA took the decision not to enter the Live Trial. That decision was discussed with senior managers in the BA and DSS and also with DSS ministers.

32. My involvement with the Treasury Review of the Programme as a whole was to report on progress on CAPS, and to consider and assess options for a way forward. However, when I became the BA Programme Director in early 1999, I became responsible for leading the work within the BA with HMT, through the Department of Social Security, and for the commercial and contractual matters with POCL and with ICL.

33. It is my understanding, and as reported by the National Audit office in their report dated 18 August 2000, that in May 1999 the government decided that removing the payment card from the BA/POCL programme offered better value for money than complete cancellation, would better protect the early automation of the Post Office, and was preferable to continuation.

34. Following the Ministerial decision my involvement with the Horizon project was to lead on behalf of the DSS and BA, with the commercial and contractual ramifications of that decision which included the termination of the Benefit

Payment Card, the withdrawal of cards from existing customers, ongoing payment of services provided by the Post Office (for example payments made by order book). The outcome of those negotiations with ICL is set out in **Exhibit WITN0414-01/9**. Other documents set out what was agreed with the Post Office I also continued to oversee the implementation of CAPS across the BA benefit Systems and to work with the BA and the Department of Social Security to plan for the introduction of the payment of Benefits by Automated Credit Transfer into peoples bank accounts. Later that year I joined the Board of the Child Support Agency and had no further involvement with the CAPS programme or the Post Office.

35. I can think of no other matter to assist the Chair.

Statement of Truth

I believe the content of this statement to be true

Signed:

GRO

Dated: 15 August 2022

INDEX TO First Witness Statement of Mr Vince Gaskell WITN 0414 dated
15.08.2022

No.	Exhibit Number	Document Description	Control Number	URN
1	WITN0414-01/1	BA/POCL Programme Congo 4 (ICL Pathway Release 1c), Full Business Continuity Status Report (The Full Monty), No.1, Nov 1997	POL-0025080	POL00028598
2	WITN0414-01/2	BA/POCL Programme Congo 4 (ICL Pathway Release 1c), Interim Business Continuity Status Report, No.3, 20-26 Nov 1997	POL-0025081	POL00028599
3	WITN0414-01/3	BA/POCL Programme Congo 4 (ICL Pathway Release 1c), Interim Business Continuity Status Report, No.2, 13-19 Nov 1997	POL-0025082	POL00028600
4	WITN0414-01/4	BA/POCL Programme Congo 4 (ICL Pathway Release 1c), Interim Business Continuity Status Report, No.1, 5-12 Nov 1997	POL-0025083	POL00028601
5	WITN0414-01/5	Horizon Programme Congo 4 (ICL Pathway Release 1c), Horizon Service Report No.1, Dec 1997	POL-0025078	POL00028596
6	WITN0414-01/6	CAPS and Card Programme Board Action Notes - Issue 5	POL-0024870	POL00028388
7	WITN0414-01/7	Minutes of the CAPS Board Meeting/Action Notes on 12 June 1998 (Issue 4- Horizon Only)	POL-0024873	POL00028391
8	WITN0414-01/8	CAPS and Card Programme Board Action Notes - Issue 6 (Horizon Only), 15 January 1999	POL-0024892	POL00028410
9	WITN0414-01/9	Letters: BA to ICL and BA to POCL concerning cancellation of Benefit Payment Card 24 May 1999	VIS00008896	DWP00000007

