

Witness name: Alistair Maclean Darling

Statement No: WITN0420\_01

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Dated: 30<sup>th</sup> October 2022

**POST OFFICE HORIZON IT INQUIRY**

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**FIRST WITNESS STATEMENT OF ALISTAIR MACLEAN DARLING**

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I provide this statement in response to a request under Rule 9 of the Inquiry Rules 2006 dated 1 June 2022.

I, ALISTAIR MACLEAN DARLING, will say as follows:

**Introduction**

1. I am a retired Member of the House of Lords, former Member of Parliament and was a member of the Government between 1997 and 2010. I live at an address known to the Inquiry.

2. This Rule 9 request is primarily concerned with events that took place in 1997-1999. In the course of preparing for this statement I have been provided with the documents referred to in the Rule 9 request, some further material obtained by the Inquiry from the National Archives and, at my request, relevant documents held by the Department for Work and Pensions ('DWP') although I do not believe that this material (taken together) includes all the material relating to Horizon that I would have seen when I was a Minister. Subject to that proviso, I am able to answer the questions in the Rule 9 request with some confidence, although I have been heavily reliant on the documentation to provide some of the detail in my answers below and have referenced the relevant documents as necessary.

### **Professional background**

3. I have been asked to provide a brief description of my professional background.
4. On 11 June 1987, I was elected as the Labour Member of Parliament for Edinburgh Central, a position I held until 2005. Following boundary changes I represented Edinburgh South West from 5 May 2005 until 6 May 2010.
5. My ministerial career began on 3 May 1997, following the election of the Labour Government in the 1997 General Election, and continued until Labour left office in May 2010. During this period, I held the following Ministerial posts:
- (a) Chief Secretary to the Treasury: 3 May 1997 - 27 July 1998;
  - (b) Secretary of State for Social Security: 27 July 1998 - 8 June 2001;

(c) Secretary of State for Work and Pensions: 8 June 2001 - 29 May 2002;

(d) Secretary of State for Transport: 29 May 2002 - 5 May 2006;

(e) Secretary of State for Scotland: 12 June 2003 - 5 May 2006;

(f) Secretary of State for Trade and Industry: 5 May 2006 - 28 June 2007;

and

(g) Chancellor of the Exchequer: 28 June 2007 - 6 May 2010.

6. Between 6 May 2010 and 30 March 2015, I continued to serve as the Labour Member of Parliament for Edinburgh South West. In 2015, I was appointed as a life peer and I took up my seat in the House of Lords on 10 December 2015 as Lord Darling of Roulanish. I retired from the House of Lords on 28 July 2020.

#### **The background to my involvement in the Horizon project**

7. I have been asked to set out the background to my involvement in the Horizon project.

#### ***The Labour Government's policies***

8. The Labour Party was elected in May 1997 on a manifesto that included a pledge to reform the welfare state. At that time social security benefits were administered and paid by the Benefits Agency ('the BA') which was an executive agency of the Department for Social Security ('the DSS'). Part of the Government's welfare reform agenda was transforming the BA from an organisation that simply paid out benefits into one with the primary objective of getting those who could work into employment

(unemployment rates in the late 1990s were much higher than they are today). This was ultimately achieved by streamlining and modernising benefits systems and reducing benefits fraud, as well as by a Machinery of Government change in 2001 that merged the DSS with the employment functions of the Department for Education and Employment to create the DWP as the department responsible for both social security benefits and employment. At the same time the BA was merged with the Employment Service to form Job Centre Plus.

9. A second key Government priority in 1997 was maintaining a post office network that served the community. This had been a long-running problem for successive Governments and one of the main difficulties was in securing footfall and therefore post office business.
10. These two policies were connected because, at that time, most recipients of state benefits collected their benefits from the Post Office using a paper payment book or giro cheque and the BA reimbursed Post Office Counters Limited ('POCL') for the costs of providing these benefits services. This income comprised a substantial proportion of POCL's overall revenue.
11. Two other policies of relevance at this time were the Government's social banking and 'modern electronic government' policies, the purpose of which was to make the provision of Government services more efficient and also to tackle what was, and remains, a real problem of people being excluded from the financial system.

***The genesis of the Horizon project***

12. The genesis of the Horizon project was in a compromise reached in 1993 aimed at meeting the DSS's aim of modernising benefits payments (and thereby reducing the level of fraud which was a real problem) while ensuring footfall in post offices. The means by which this was achieved was a major public finance initiative ('PFI') project agreed between POCL, DSS and a private consortium, ICL Pathway, and announced by the previous Government in May 1996. The objective of the project was to provide POCL with an IT infrastructure to support the whole range of their business, and to provide the BA with a modern means of paying benefits using a plastic swipe-card (the Benefits Payment Card or 'BPC') which would reduce fraud, improve customer service and provide proper accounting information. The BPC could only be used in post offices thus securing footfall. This background is set out in detail in a letter dated 12 August 1997 written to me by John Denham, who was then the Parliamentary Under-Secretary at the Department of Social Security ('DSS') [WITN0420\_01/1, DWP00000095].

***Chief Secretary to the Treasury (1997)***

13. I first became aware of the Horizon project in my role as Chief Secretary to the Treasury where I was responsible, amongst other things, for monitoring all government expenditure. The purpose of John Denham's letter of 12 August 1997 [WITN0420\_01/1, DWP00000095] was to alert me to the fact that the Horizon project was seriously behind its original timetable with equally serious consequences for the business cases that had been agreed when the project had

been announced. He explained the DSS view that there was an attractive case for paying benefits directly into bank accounts by Automatic Credit Transfer ('ACT') but that this had been opposed in the past on the basis that compulsory ACT would have a serious effect on the post office network, particularly in rural communities.

14. Mr Denham stated his view that, if the commitment to the Horizon project had not already been made, we should (at the very least) question whether it was sensible to sustain an expensive and outmoded pattern of payment as a means of delivering a hidden subsidy to the Post Office. He also noted that payment by ACT cost substantially less than other payments and that it was unlikely that card payments over post office counters would continue to be the best means of payment into the next century. These were views that I shared.
15. Mr Denham explained that the BA, POCL and ICL Pathway had agreed that there should be an independent review of the project reporting in September and identified potential alternative routes in the event that ICL were not able to develop an acceptable plan for the way forward and deliver against it.
16. I replied to John Denham on 29 August 1997 [WITN0420\_01/2, CBO00000018] noting that it was necessary to establish urgently whether the project could be brought back on track and that it was sensible to undertake some contingency work in the meantime in the event that it were to become necessary to terminate the contract, looking in particular at the case for ACT.
17. In a reply dated 14 September 1997 [WITN0420\_01/3, CBO00000013] John Denham cautioned me against harbouring any hopes that the project could be

brought back on track given the emerging view that the completion date was likely to be at least 18 months beyond the original contractual date.

18. A letter from Margaret Beckett, then the President of the Board of Trade, dated 17 October 1997 [WITN0420\_01/4, DWP00000072] reflects the Government's general policy towards the Post Office at that time. She noted POCL was the most politically sensitive of the Post Office businesses and that its future viability looked increasingly fragile. She cautioned that any precipitate changes to the level of payments for services provided by the Post Office to Government agencies such as the BA or the Driver and Vehicle Licensing Agency ('DVLA') risked seriously destabilising the network.

19. In a letter to Margaret Beckett dated 3 March 1998 I noted that I was increasingly concerned about the Horizon project and stated that officials should be asked to prepare an agreed analysis of the options, including an assessment of whether the project was technically viable and, if so, how quickly it could be completed and at what cost to Government, as well as the direct and indirect costs of cancellation along with the costs of any other option [WITN0420\_01/5, CBO00000017].

***July 1998 (Secretary of State for the DSS)***

20. On 27 July 1998, I was appointed as Secretary for State for the DSS. It was in this role that I had to deal with the problems posed by the Horizon project but also as a member of the Cabinet in supporting Government policy in relation to both benefits reform and the Post Office (outlined above).

21. In my role as Secretary of State, I was committed to delivering the Government's policy on welfare reform and, following my arrival in the department, it became clear to me that fundamental reform was required across the board and in particular in relation to the way in which benefits were being paid to approximately 15 million people every week. In particular, I came to the view that the BPC was not the right way to achieve the effective and long-term reform of benefits payments systems, principally for three reasons.
22. First, I believed that the BPC was wrong in principle because it stigmatised benefits recipients and created two classes in society: those whose wages were paid into their bank accounts via ACT; and an <sup>my</sup> ~~under~~ <sub>Arr</sub> class of people who had to receive their income using a benefits card. By contrast, ACT was a way to tackle social exclusion by ensuring that all benefits recipients had some form of banking facility and could therefore receive their income in the same way as everyone else. I also considered that it was wrong in principle to require people to go to the Post Office to receive their benefits when there was a more convenient method of benefit payment available.
23. Second, I did not believe that the BPC was the best and most cost-effective solution for the payment of state benefits, particularly given that it was not intended for long term use and the technology was likely to soon become outdated. A detailed assessment of the advantages of payment by ACT as an alternative to the BPC is contained in supporting papers to a DSS Memorandum dated 25 August 1998 [WITN0420\_01/6, WITN04200107]. In summary, by moving straight to ACT it was estimated that the DSS would save £400m per year and the banks had been



delivering ACT for years so it had a proven track record of working. In those circumstances I did not consider the BPC to be a good investment of public funds and I believed that there were better ways to manage the loss of income to POCL that would result from the adoption of ACT as the means of the payment of benefits.

24. Third, by July 1998 the project was thoroughly stalled. In November 1997, ICL had been placed in breach of contract by the public sector parties for failure to meet a key operational milestone and the DSS/BA had issued a notice of 'cure' which was due to expire on 12 August 1998 and was unlikely to be met.
  
25. An interdepartmental working group had been established which had convened an Independent Panel of Experts ('the Treasury Panel'), chaired by Adrian Montague, to conduct an independent review into the Horizon project. The Treasury Panel issued its report in July 1998 [WITN0420\_01/7, POL00028094] and concluded that the project was technically viable but the cost of the delay to the project was £180 million, over half of which fell to the Government sponsors; the BA was estimated to be losing £15 million per month of fraud and administrative savings lost through the delay in migrating to the new system. The report identified a number of problems in the progress of the project and noted that the programme appeared from the start to have had two distinct sponsor visions and no clear owner. The report also noted that the relationships between the parties were characterised by a low level of confidence in various aspects of the eventual solution and in each other. This reflected the ultimately incompatible objectives of the sponsors whereby the BA wanted to move to ACT as soon as possible and POCL wanted to retain benefits payments via the Post Office to maintain footfall.

26. The Report proposed six options (summarised on internal page 22) as follows:

- (a) Option 1: restructuring the full Horizon project;
- (b) Option 2: partially restructuring the project by removing the BPC;
- (c) Option 3: extending the current programme;
- (d) Option 4: continuing the current programme;
- (e) Option 5: partial termination (removal of the BPC);
- (f) Option 6: complete termination of the project.

27. My view on reading the report was that a huge project where there was fundamental disagreement between the two sponsor departments was doomed. For the reasons stated, I concluded that DSS should withdraw from the project and proceed to ACT and that Government should find a different way to make up for the loss in income to POCL.

**The problems faced by the Horizon project between July and December 1998**

28. I have been asked to explain the problems faced by the Horizon project between July and December 1998.

29. The period between July and December 1998, and indeed January to May 1999 (addressed below), was dominated by the decision as to whether or not to retain the BPC as an element of the Horizon Project.

30. By September 1998, ICL had missed the 12 August contractual deadline and the view of Ministers was that ICL was in breach of contract [WITN0420\_01/8, BEIS0000284]; a claim that was disputed by ICL [WITN0420\_01/9, BEIS0000283]. On 15 September 1998, the Chief Secretary to the Treasury, Stephen Byers, wrote to ICL to inform them that Ministers had decided to allow a period of one month for discussion between the parties to see whether satisfactory commercial terms could be agreed for continuing the project and that a special advisor would be appointed to work with the parties towards finding a solution [WITN0420\_01/8, BEIS0000284].
31. Graham Corbett was appointed as the independent advisor and, on 18 October 1998, reported that the parties had been unable to reach agreement as to a commercial basis for proceeding, but progress had been made in the development of a framework for a way forward ('the Corbett Framework') [WITN0420\_01/10, POL00028098]. His proposal was a version of the Treasury Panel's Option 1 under which Horizon would be developed with the BPC and front-end banking facilities in tandem. The aim was that benefits would be paid via the BPC for an initial period while the Post Office's banking facilities (including a banking 'smartcard') were put in place, and then the DSS could move to payment via ACT using the Post Office's automated systems. All parties, including the DSS, agreed to consider this option in good faith.
32. Commercial negotiations based on the Corbett Framework continued into December. The issues between the parties related to where the burden of the commercial risk should lie, the balance of expenditure between the public and private sector, and acceptance testing (considered further below).

33. By early December 1998, there was an increasing focus within Government discussions on other options for Horizon, including cancellation of the project. This is reflected in a POCL Briefing Paper dated 7 December 1998 [WITN0420\_01/11, POL00028634] prepared following a request by the Chief Secretary to the Treasury for officials to prepare an 'exit strategy' from Horizon.
34. On 9 December 1998, ICL put forward new proposals (still based on the Corbett Framework) [WITN0420\_01/12, POL00028329]. Ministers considered the proposals at a meeting which took place later the same day but reach no agreement in relation to them [WITN0420\_01/13, BEIS0000418].
35. On approximately 21 December 1998, Stephen Byers put forward a further proposal aimed at reaching a compromise in relation to the ICL proposal. This proposal is referred to in a draft Department of Trade and Industry ('DTI') letter [WITN0420\_01/14, BEIS000395] but the papers I have been provided with do not include the original letter/memorandum from Stephen Byers.
36. I responded on 22 December 1998 with a further proposed solution [WITN0420\_01/15, CBO00000038]. My proposal was that the Horizon project should be renegotiated within the existing contracts to proceed with a Government Smart Card but without the added complication of the BPC, while also proceeding with the automation of the Post Office (which would include building a capacity to provide banking facilities in post offices and other services of potential interest to Government).

**The views of Government departments**

37. I have been asked whether there was agreement between the Government departments as to the future of Horizon and, if not, what their respective positions were.

38. During this period there was common ground between Ministers as to the Government's overall policy objectives, in particular the importance of maintaining a post office network responsive to the needs of the communities it served; the welfare reform agenda; and the need to act in the best interests of British business, including by promoting foreign investment in the UK. However, there was no consensus across Government as a whole as to how these objectives were to be aligned in the context of the Horizon project. It was this issue that dominated discussions from July 1998 until a decision was taken in May 1999.

***The DSS***

39. As I have explained above, by July 1998 I was firmly of the view that the Horizon project had stalled, ICL were in breach of contract, and the BPC was the wrong way to reform benefits payments. That remained my view throughout the period with which this Rule 9 request is concerned.

40. A DSS Submission dated 17 August 1998 [WITN0420\_01/16, WITN04200101] noted that, following a Ministerial meeting on 30 July 1998, there was a 'mounting consensus' between myself, Stephen Byers and the No.10 Policy Unit (but not the

DTI or POCL Management) against the Treasury Panel's 'Option 1' (proceeding with the full Horizon project).

41. On 30 July 1998, I issued the first of two ministerial directions to Peter Mathison, the Accounting Officer of the BA, to allow work on the BPC to continue. Under the civil service rules, an Accounting Officer is directly answerable to Parliament for public spending and must seek a Ministerial direction for financial expenditure that does not meet all of the following four tests: (a) regularity; (b) propriety; (c) value for money; and (d) feasibility. In summary, Peter Mathison's view was that a direction was required if he was to proceed with the project rather than pursuing a more cost-effective means of delivering benefits by cancelling the BPC and moving to ACT. Further background to the ministerial directions I issued is contained in a submission to me from Peter Mathison dated 28 June 1999 [WITN0420\_01/17, DWP00000018] and a DTI submission dated 8 September 1998 [WITN0420\_01/18, BEIS0000127].
42. The DSS view of the Treasury Panel proposals was set out in a submission dated 17 August 1998 [WITN0420\_01/16, WITN04200101]. In summary, the DSS could live with any of the Treasury proposals except Option 1 (continuing with the BPC) and considered that the other options should be assessed against the following goals: (a) ensuring that people who wished to use the Post Office could do so; (b) protecting the future of the Post Office network; and (c) mitigating the risk to the future of ICL (and therefore British business interests in general). The DSS view was that Option 2 (proceeding with Horizon without the BPC) was the best way to protect those interests and mitigate the risks of terminating the contract.

43. My view was also that Option 2 was the best option. A note of a meeting that I had with DSS officials on 18 August 1998 [WITN0420\_01/19, WITN04200102] records my view that the DSS had the right to terminate the BPC aspects of the contracts because of ICL's failure to deliver (this was possible because ICL had contracted separately with the BA and POCL for the Horizon and BPC elements of the project). I therefore considered that the DSS should proceed to paying benefits by ACT as a contingency. The basis for my view as to breach of contract is explained in an undated DSS paper [WITN0420\_01/20, WITN04200103]. As noted, ICL did not accept that it was in breach of contract.
44. In September 1998, I agreed to consider any contractual proposals made pursuant to the Corbett Framework (proceeding with Horizon with the BPC) in good faith. However, as I made clear in discussions with my Ministerial colleagues, I remained highly sceptical as to whether this approach was a good use of public funds.
45. On 15 September 1998, I issued a further ministerial direction to Peter Mathison to allow consideration to be given to the Corbett Framework proposals.
46. In November 1998, ICL made a proposal based on the Corbett Framework. A Horizon 'Progress Report' dated around 16 November 1998 noted the DSS/BA view that ICL's revised Option 1 (Horizon with BPC for a short period while the Post Office implemented banking facilities) would result in further delays to the Horizon project such that the BPC would only be in use for a very short period of time before ACT was introduced. The DSS/BA also considered that the BPC element of the project

would distract POCL from introducing banking services as quickly as possible [WITN0420\_01/21, WITN04200104].

47. ICL's November proposal was rejected by Ministers and, as noted above, ICL put forward a further proposal in December 1998. I set out my views on the December proposal in a letter to Stephen Byers dated 11 December 1998 [WITN0420\_01/22, BEIS0000417]. My view of the proposal itself was that further assurance was needed in relation to commercial risk (Fujitsu had offered to £600 million in 'support' for the project but my view was that this should be in the form of legally enforceable guarantees), the balance of expenditure was still skewed too heavily in favour of ICL, and ICL's acceptance testing proposals remained unacceptable (I address this in more detail below).
48. I also made clear my ongoing position that the case for proceeding with the BPC was weak. As noted in my letter, by December 1998 the project timetable had slipped again and that, in agreeing to consider Option 1 under the Corbett Framework, the DSS were in effect foregoing £800 million in savings in the welfare administration bill that it was thought could otherwise have been achieved over the next 10 years.
49. The draft letter of 22 December 2022 proposing an alternative option of proceeding without the BPC, stated my view that the BPC had no life or market value after the contract with ICL came to an end and was a bespoke and complex system which could contribute to the risks of continuing with the project given ICL's continuing failure to deliver. By contrast, ICL had (I understood) already successfully delivered



banking facilities to other customers, and a Post Office banking facility would be relatively cheap, simple to develop and carried a potential wider market value than the BPC. The draft letter also reflected my view that the BPC was not a good use of taxpayers' money because it amounted to a disguised subsidy to the Post Office over which the Government had little control (i.e. despite the subsidy post offices in rural or deprived urban areas that the Government wanted to be supported were still closing).

50. The letter also noted Peter Mathison's view that a further ministerial direction would be required to go forward with ICL's December 1998 proposal. It is not uncommon for senior officials to caution that they may need a direction in order to remain within the accounting rules referred to above. Mr Mathison was clearly concerned that to continue without a direction would fall outside of the civil service rules on expenditure. In addition, I was concerned that it would not be possible to justify the project when DSS expenditure was scrutinised by the Public Accounts Committee and the Social Security Select Committee, the latter having written to me in December 1998 proposing an inquiry into the Horizon project.

#### *The DTI*

51. Whilst I had a good understanding of the position of the DTI at the time, what follows is largely based on the documentation that I have seen in preparing for this statement. It accords with my recollection but former DTI Ministers would be best placed to answer specific questions in relation to DTI policy in 1998.

52. Between July and December 1998, the Secretary of State for the DTI was Peter Mandelson. The DTI's view on the future of Horizon was framed by its role as the department responsible for postal services and a POCL shareholder. A DTI submission dated 8 September 1998 contains a useful summary of the key factors of importance to the DTI [WITN0420\_01/18, BEIS0000127].
53. First, the DTI believed that the Horizon project was essential to the maintenance of a nationwide network of post offices and that, without it, POCL would require a heavy subsidy to avoid a collapse of the post office network. The DTI also considered the BPC to be an essential element of the project. This was because POCL were reliant on income from the BA for administering benefits payments and, while the DTI recognised that a move to ACT was inevitable, the department believed that the BPC was a necessary interim step to retain footfall in post offices and allow POCL time to adjust to a future without BA income. In particular, it was thought that POCL could put in place automated services that would help post offices to retain customers once a full move to ACT was made.
54. Second, the DTI was concerned that cancelling the project, or removing the BPC element of it, would cause sub-postmasters to lose confidence in the future viability of their businesses which could cause post offices to close or depress the sale value of post office businesses (on which sub-postmasters often relied to fund their retirements). There was also concern that, in light of public statements made by DTI ministers, sub-postmasters would feel betrayed if the BPC was cancelled.

55. Third, the DTI believed that Horizon without the BPC was unworkable in practice, could not be negotiated with ICL (because ICL would not agree to it), and that adopting this course would result in prolonged and damaging litigation. The DTI also believed that cancelling the contract with ICL would damage the UK's relationship with Fujitsu (ICL's parent company) with serious implications for the UK's investment relationship with Japan and the credibility of the overall PFI project.
56. Some of these views were reflected in a submission dated 30 July 1998 addressing the Treasury Panel's proposals [WITN0420\_01/23, BEIS0000141]. The DTI did not consider 'Option 2' (Horizon without the BPC) to be commercially realistic because the department did not believe that ICL would agree to proceed on this basis unless they were compensated for their development costs and lost revenue stream which would mean the government would have to pay for the BPC whether or not they used it. The DTI also argued that removing the BPC would result in POCL losing revenue from the BA as well as a loss in footfall, and that POCL would be more likely to keep benefits customers if there was a migration to ACT via the payment card rather than a straight move to ACT. The DTI favoured Option 1 (restructuring the project to go forwards with the BPC).
57. The DTI's view of ICL's November proposal (Horizon with BPC for a short period while the Post Office implemented banking facilities) is recorded in the Horizon Progress Report dated November 1998 [WITN0420\_01/21, WITN04200104]. Both the DTI and POCL were of the view that ICL had moved significantly in its negotiating position and showed signs of being prepared to move further. They believed that, with more time, an acceptable position could be negotiated.

58. The DTI's view of ICL's December 1998 offer was set out in a letter from Peter Mandelson to Stephen Byers dated 10 December 1998 [WITN0420\_01/13, BEIS0000418]. In the letter, Peter Mandelson stated his view that the choice was between proceeding with Horizon and the BPC (on the basis of ICL's December 1998 proposal) or 'a step into the unknown'. He considered the best outcome for the Horizon project was a fully automated Post Office that would be capable of handling the BPC as well as front-end banking facilities which would promote the Government's social banking and 'modern electronic government' policies. Not accepting ICL's offer would delay the modernisation of POCL, risked the loss of POCL customers and undermining the confidence of sub-postmasters with consequent risks of network closures and 'political fallout'. He also voiced concerns that the UK's relationship with Fujitsu and the credibility of PFI would be damaged. Although the cost of the project had increased, he believed that proceeding with it made more commercial sense than terminating it. The DTI position was consistent of that of the Post Office Board who were in favour of proceeding on the basis of the ICL offer [WITN0420\_01/12POL00028329].

59. In a letter dated 14 December 1998, Ian McCartney, Minister of State at the DTI, set out the DTI's position disagreeing with the points made in my letter of 11 December 1998 and making the case for continuing with Horizon on the basis of the ICL proposals [WITN0420\_01/24, BEIS0000400].

60. The DTI view of my proposal of 22 December 1998 to Stephen Byers is reflected in DTI submissions of the same date [WITN0420\_01/25, BEIS0000394; WITN0420\_01/26, BEIS0000396; and WITN0420\_01/14, BEIS0000395] and a

letter from Ian McCartney to the Prime Minister dated 23 December 1998 [WITN0420\_01/27, CBO00000037]. The view of DTI officials was that my proposal was a version of the Treasury Panel's 'Option 2' which the DTI continued to view as commercially unworkable, primarily because they did not believe that ICL would agree to it. The DTI also disagreed with the DSS analysis as to the costs/benefits of the various options.

### *HM Treasury*

61. The role of HM Treasury ('HMT') in the Horizon negotiations was focussed on managing the Government's expenditure in relation to the project. HMT also led a Horizon Working Group which was responsible for overseeing the project and its work included convening the Treasury Panel that reported in July 1998, and appointing Graham Corbett as the independent advisor to the contractual negotiations. The Chief Secretary took forward the negotiation process in November and December 1998, including by seeking to obtain consensus in relation to a final proposal to be put to the Prime Minister.
62. A DTI submission dated 8 September 1998 [WITN0420\_01/18, BEIS000127] records the view of Stephen Byers that, if HMG were effectively subsidising POCL by using the less efficient BPC rather than ACT, then the justification for continuing the project would need to be that it provided the best means of sustaining the network of post offices. He asked for further work to be done to assist in this analysis [WITN0420\_01/18, BEIS000127].

63. By December 1998, the Treasury was focussed on bringing the Horizon negotiations to a close. On 8 December 1998, Stephen Byers convened a briefing for Ministers by the public sector parties and asked that the presentations be focussed on the fallback options if the project were to be cancelled. He also asked officials to prepare an exit strategy [WITN0420\_01/28, BEIS0000101 and WITN0420\_01/11, POL00028634]. A DSS submission of the same date noted that Stephen Byers' personal view was that the Horizon programme was the wrong decision in the first place and he considered that the DSS alternative (moving straight to ACT using POCL banking facilities) was a 'doable' solution. However, the same submission noted that Mr Byers view remained that he would prefer to find a way to continuing with the Horizon project if at all possible [WITN0420\_01/29, DWP00000015].

64. A DSS submission dated 16 December 1998 noted that, following an 'informal steer' from the Prime Minister, Mr Byers was looking to a solution which re-affirmed commitment to the project and to ICL while seeking to engage with ICL to find an alternative which better met the Government's objectives. The submission described this approach as "*Option 2, but re-packaged to give prominence to a re-commitment to ICL/Fujitsu*" [WITN0420\_01/30, WITN04200105].

#### ***The No 10 Policy Unit***

65. The No 10 Policy Unit made a number of recommendations to the Prime Minister in relation to the Horizon project.

66. A DSS submission dated 17 August 1998 [WITN0420\_01/16, WITN04200101] noted that the No 10 Policy Unit were exploring variants on a cancellation option.

and that their 'emerging view' was that the main advantage to the Horizon project was to support the Post Office network which could be done as well if not better in other ways. The No 10 Policy Unit was said to be interested in exploring the potential links with wider government objectives to promote universal banking and social inclusion and its IT/Electronic Government objectives.

67. A DTI submission dated 8 September 1998 [WITN0420\_01/18, BEIS0000127] summarised the conclusions of a joint HMT/No 10 Policy Unit paper which recommended the continuation of the Horizon Project subject to the following conditions: (a) ICL committed to suitable terms within one month; (b) DSS were given a firm date on which they could replace the BPC with ACT; (c) the Post Office strengthened its management of POCL and explored partnerships with the private sector; (d) a strategy was prepared for more transparent funding for POCL; and (e) a strategy was prepared for the migration from the BPC to a multifunctional smartcard. The Policy Unit's view on Option 2 (Horizon without the BPC) was said to be that it was difficult to assess whether the solution was commercially viable or made sense in technical terms.

#### **The technical integrity and robustness of Horizon**

68. I have been asked what I understood about the technical integrity and robustness of Horizon at this time.

69. As will be clear from the above, throughout this period the primary focus of Ministerial discussions was on what shape the contract with ICL should take and, critically, whether or not the BPC should be part of it. In my view, the issue did not

turn on whether it was technically possible to deliver the BPC but rather whether the BPC was the right mechanism to reform benefits payments.

70. That is not to say that technical issues played no part in our discussions. As noted, by March 1998 as Chief Secretary I had reached the view that it was necessary to receive advice on, amongst other things, whether the project was technically viable [WITN0420\_01/5, CBO00000017] and the Interdepartmental group had commissioned the Treasury Panel review pursuant to Terms of Reference that included consideration of *"whether the project can deliver a fully functioning system which meets the project specification and integrates fully with BA and POCL computer systems"* [WITN0420\_01/7, POL00028094]. The Treasury Panel concluded that the programme as originally conceived was *"technically viable"* and, although there was some risk around *"scaleability and robustness"* these risks were being well managed by ICL. The Panel also noted that *"the basic infrastructure is very robust for the future and, in the main, industry standard products have been used"* [WITN0420\_01/7, POL00028094].

71. On the basis of the Treasury Panel's conclusions I was satisfied that ICL was capable of delivering the project in technical terms although, owing to their performance up until that point, I had some doubts as to whether they could do so in accordance with the Government's timescales. I was also aware during this period that work was ongoing at official level in relation to the BPC, including in relation to its technical requirements. I note, by way of example, the reference in the July 1998 Pathway Monthly Progress Report [WITN0420\_01/31, FUJ00058175] to the BA's targets with respect to technical issues such as transaction reconciliation errors.



72. Had the BPC element of the project proceeded it would have been necessary for there to have been clear evidence the system worked in practice before it was used to deliver benefits to thousands of people. For this reason, I was concerned to ensure that appropriate provision was made in the contractual arrangements for comprehensive testing of the BPC in a 'live' environment.

#### Interdepartmental discussions

73. I have been asked to what extent were the inter-departmental discussions about the future of Horizon influenced, at this stage, by the financial consequences of terminating the project, wider concerns about foreign investment in the UK economy, and issues concerning the technical integrity and robustness of the system.

74. As noted, termination was one of a number of options considered by the Government in relation to the future of the Horizon project. Given the scale of the project, and the level of public expenditure involved, the financial implications of each option were an important aspect of the decision-making and in ensuring that the project represented overall value for money. For this reason, the financial consequences of terminating the project were considered very carefully. This is reflected in a number of the contemporaneous documents, including a DSS submission dated 17 August 1998 [WITN0420\_01/16, WITN04200101] and the Horizon working group report dated 14 December 1998 [WITN0420\_01/28, BEIS0000101]. Similarly, a note of a meeting between myself and DSS officials on 18 August 1998 records my view that, while I was in no doubt that I wanted to get

out of the contract, I needed a clear statement of the costs involved [WITN0420\_01/32, WITN04200106].

75. Ultimately the financial costs of termination were one factor in the decision-making process, which were weighed against the financial costs of the other options, and the other factors relevant to the decision (welfare reform, the need to maintain the Post Office network etc), in order to reach the right decision.
76. As to wider concerns about foreign investment, this was also an important consideration, particularly for the DTI. The DTI's concerns are reflected in a number of the contemporaneous documents throughout this period which pointed to the risk that termination would cause ICL to fail, prevent Fujitsu from floating ICL on the stock-market and damage the UK's reputation as an investment partner for Japan/Japanese companies and globally. These risks were also being emphasised by Fujitsu in meetings with senior officials, including DTI Ministers and HM Ambassador in Tokyo. There were also concerns about the impact on the UK economy should the project fail, including potential job losses at ICL and damage to the PFI initiative by deterring other private sector partners from entering into large public/private IT projects in the future [WITN0420\_01/23, BEIS0000141; WITN0420\_01/18, BEIS0000127; WITN0420\_01/28, BEIS0000101; WITN0420\_01/24, BEIS0000400; WITN0420\_01/14, BEIS0000395; WITN0420\_01/33, BEIS0000336; WITN0420\_01/34, BEIS0000337; and WITN0420\_01/21, WITN04200104].

77. As a member of the Government, I took these concerns seriously but I did not consider them determinative. My overriding consideration was to reach the right decision for the Government as a whole in relation to Horizon, particularly in circumstances where ICL was in breach of contract for failure to deliver its part of the contractual arrangements.

78. I have addressed the relevance of the technical integrity and robustness of the system above.

#### **Acceptance testing**

79. I have been asked to explain what I understood ICL's proposals to be, at this stage, in relation to acceptance testing of the Horizon system and whether I considered the proposals to be acceptable.

80. As noted in the Treasury Panel's report, one of the problems facing the Horizon project in July 1998 was that the 'Acceptance Plan' (i.e. the process whereby the system would be signed off as meeting its technical specifications) had not yet been agreed [WITN0420\_01/7, POL00028094]. The matter had not been settled by October 1998 when Graham Corbett completed his report [WITN0420\_01/10, POL00028098].

81. My understanding of ICL's November 1998 proposal was reflected in a draft letter dated 10 November 1998 [WITN0420\_01/35, DWP00000376] in which I noted that ICL were asking for acceptance on the basis of laboratory testing of the systems as opposed to a live trial. This was the approach followed during a trial of the National

Insurance Recording System (NIRS2) project where the system was fully accepted in a test environment but did not work in the field. I noted that the BPC system would affect approximately 15 million people, many of whom were dependent on timely and accurate payment of their benefits for their livelihoods, and I was not prepared to take the risk that the system would not work in practice.

82. A Horizon Progress report dated approximately 16 November 1998 [WITN0420\_01/21, WITN04200104] also noted that ICL was proposing a high threshold for the number of 'allowable faults' that would be permitted which neither the BA nor POCL could agree to.

***The December 1998 proposal***

83. My view of ICL's revised December offer was that there had been no material change in relation to acceptance testing. This is set out in a letter to the Chief Secretary to the Treasury dated 11 December 1998 [WITN0420\_01/22, BEIS0000417].

84. The letter stated:

*"On the specific conditions that the proposals seem to involve, I could not agree to the proposed approach to "acceptance testing". ICL persist in asking for acceptance on the basis of a laboratory test of the systems as opposed to live trial - particularly important when for our customers it is the service that is the crucial end product. In fact, the approach being suggested by ICL is almost exactly that followed under the NIRS2 project, where the*

*system was fully accepted in a test environment, but did not work in the field. I am not prepared to sign up to another NIRS2 experience! In any event, when we are talking about a system which is affecting around 15 million people, many of whom are dependent on timely and accurate payment of their benefits for their livelihoods, the political risks are huge if the system is not tested properly beforehand to make sure it works. This is a risk I am not prepared to take"*

85. The DTI argued that the proposals were not confined to laboratory tests because there would be live trials at 300 Post Offices [WITN0420\_01/24, BEIS0000400], however my view was that this was insufficient given the overall number of post offices (in a Parliamentary debate on 13 January 1999, the number of post offices was given as 18,000 [WITN0420\_01/36, DWP00000084]). It has to be appreciated that a missed payment, or a payment that was wrong even by a relatively small amount, has the potential to have a big impact on someone on a low income and there was a very real risk that a mistake of this nature could cause real hardship which is why we were concerned about it.

86. As will be clear from the above, I did not consider the ICL proposals on acceptance testing to be acceptable.

**ICL Pathway's December 1998 proposals**

87. I have been asked how I responded to ICL's December 1998 proposals. I have answered this question above.

January to May 1999*Problems facing Horizon*

88. I have been asked to explain the problems faced by the Horizon project between January and May 1999.
89. The problems experienced in July to December 1998 (explained above) persisted into 1999, although by January 1999 the need to make a decision had become urgent. There had also been changes to the Ministerial appointments in two of the departments involved in the Horizon decision-making: on 23 December 1998 Stephen Byers had replaced Peter Mandelson as Secretary of State for Trade and Industry, and Alan Milburn had replaced Stephen Byers as Chief Secretary to the Treasury.
90. The urgency of the need for a decision was reflected in a draft letter from Stephen Byers to the Prime Minister written in mid-January [WITN0420\_01/37, POL00028606] which noted that the failure to reach a decision was already damaging the UK's relationship with Fujitsu and there was a risk that the negative perception would spread to the wider Japanese investor community. The draft letter also referred to a forthcoming Fujitsu board meeting on 22 January 1999 and expressed Stephen Byers' concern that, if no decision had been made by that date, Fujitsu would instruct ICL to terminate the contract and sue for damages.

*The views of Government departments*

91. I have been asked whether there was agreement between Government departments as to the future of Horizon during this period. As I will explain in the paragraphs that follow, and based on the papers that I have seen, by May 1999 agreement had been reached.
92. In January 1999, the DTI remained of the view that proceeding with Horizon without the BPC was unlikely to be negotiable with ICL and was not the best way to achieve the early introduction of a smart card and the early adoption of the Horizon infrastructure. The DTI believed that a Post Office smart card would be more marketable if it began life as the BPC because of the customer base that this would ensure. These views were expressed in the draft letter to the Prime Minister written in mid-January 1999 [WITN0420\_01/38, BEIS0000167].
93. However, at around the same time, Alan Milburn asked the Second Permanent Secretary at the Treasury, Steve Robson, to look for a way forward for the Horizon project which met Ministers' objectives and which did not include the BPC. An HMT submission dated 1 February 1999 noted that Steve Robson had been discussing a potential option with ICL that would involve a direct move to paying benefits by ACT into new Post Office bank accounts accessible at Post Offices via a smartcard [WITN0420\_01/39, HMT00000015]. This option is referred to as 'Option 2A' in the documents and is explained in detail in an HMT note [WITN0420\_01/40, HMT00000011].

94. As noted in an HMT letter dated 11 February 1999, both Stephen Byers and I agreed to give the proposal further consideration [WITN0420\_01/41, HMT00000017] and on 24 February 1999 Alun Milburn wrote to the Prime Minister to inform him that Stephen Byers and I had confirmed in writing our support in principle for this option [WITN0420\_01/42, HMT00000014].
95. The case for proceeding with Horizon without the BPC is set out in Alun Milburn's minute to the Prime Minister dated 24 February 1999 [WITN0420\_01/42, HMT00000014]. In particular, it was considered that payment by ACT into post office bank accounts would meet the DSS objective of using the most efficient means available for payment of benefits (ACT) while maintaining footfall in post offices and giving the Post Office a customer base to whom to market other smartcard services. It would also promote the Government's objectives for the delivery of modern government services and combating financial exclusion by providing simple bank accounts to all benefits recipients. Financial analysis in an Annex suggested that the net present value ('NPV') for Option 1 (Horizon with the BPC) was better than Option 2A (Horizon without BPC) but noted that the modelling was uncertain.
96. In a letter dated 1 March 1999, the Prime Minister's Principal Private Secretary stated that, notwithstanding the Prime Minister's slight concern about the NPV calculations and the greater risks of Option 2A, he considered the option could offer significant benefits, including by providing the Post Office with a platform for the provision of electronic Government services, something to which he attached considerable importance. The Prime Minister therefore agreed that the Government should confirm to ICL in principle that we were keen to pursue the new approach



and asked that the Post Office be given a clear message that the Government wanted them to work seriously on the new approach [WITN0420\_01/43, BEIS0000375]. On 8 March 1999, a letter was sent to ICL confirming that the Prime Minister had agreed that negotiations should proceed in relation to Option 2A [WITN0420\_01/40, HMT00000011;].

97. By April 1998, ICL had formally withdrawn its December offer which meant there was no longer an option that involved the Horizon system with the BPC. In any event, by this stage the Treasury had concluded in a draft report that the relationships within the project were not so dysfunctional that Option A should be abandoned [WITN0420\_01/44, DWP00000027].

98. The DSS view of Option 2A (now being referred to as 'Option B1') is recorded in a submission dated 8 April 1999 [WITN0420\_01/45, DWP00000016]. The DSS strongly supported this option subject to reassurances as to the "*handling of risk*", incentives to ensure a timely move to ACT and provision to ensure that the DSS/benefits recipients were not vulnerable should ICL fail to deliver. Put simply, the DSS was concerned about the migration to payment by ACT and the need to ensure that this was not done in a way that would adversely affect the millions or people who received social security benefits.

99. A Treasury submission dated 5 May 1999 [WITN0420\_01/46, HMT00000022] outlined the options under consideration at this stage:

- (a) 'Option B1' (Horizon without the BPC but with POCL banking services);

(b) 'Option B3' which had been worked up by the Treasury following a proposal that I had made at a Ministerial meeting. Under this proposal, POCL would buy the automation platform from ICL and then move straight to a network banking strategy without either the BPC or the POCL bank; and

(c) Option C which was termination of the contract.

100. The submission noted that the DTI were likely to press for Option B1 on the basis that it could be justified in public expenditure terms and would deliver modern government services. The Treasury view was that Option B1 had a negative NPV and that the value for money analysis steered in favour of Option B3 or Option C which had similar NPVs. A detailed analysis of the financial considerations is contained in a draft Treasury Report prepared in April 1999 [WITN0420\_01/47, DWP00000019].

101. More detail on these options was set out in a letter from Alan Milburn to the Prime Minister on 10 May 1999 [WITN0420\_01/48, HMT00000024]. The letter noted that Stephen Byers and Charlie Falconer (who was then a Minister of State in the Cabinet Office) preferred Option B1 because it offered the most security in footfall in the short term, would put the Post Office in the best position to secure electronic government business and would keep ICL/Fujitsu on board. The Post Office also preferred Option B1 and wanted termination over Option B3, although the letter noted that this may have been a negotiating tactic

102. In a letter from the Prime Minister's Principal Private Secretary dated 11 May 1999 [WITN0420\_01/49, CBO00000022\_002] the Prime Minister indicated that any solution should meet three key objectives: (a) conflict with the Post Office and the Sub-Postmasters lobby should be avoided; (b) ICL's whole future should not be put at risk; and (c) the Government should have a fully defensible position before the Public Accounts Committee. The HMT submission described the negotiations between the Government and ICL on a version of Option B3 which resulted in an agreement in principle that POCL would buy the basic Horizon platform, the BPC would be abandoned and the BA would move to ACT between 2003 and 2005. The POCL and ICL would then have three months to negotiate detailed contracts and, if agreement could not be reached, POCL would pay ICL £150million in full and final settlement of their disputes.

103. The DSS considered this to be a very good outcome as recorded in a submission dated 20 May 1999 [WITN0420\_01/17, DWP00000018].

***Technical integrity and robustness***

104. I have been asked to explain what I understood about the technical integrity and robustness of Horizon at this time.

105. As noted, the Treasury Panel had concluded in July 1998 that the project was technically viable. This issue was revisited in the draft Treasury Report dated April 1999 which stated that "*it was probably still the case*" that the project was technically viable but noted that, since the Treasury Panel report, there had been further problems with testing and ICL had already missed the first milestone in the timetable

agreed in the course of the Corbett negotiations. The draft Report also stated that the BA had pointed to faults that had emerged in the latest testing of the Model Office, POCL had deferred the final run of testing by two months to allow ICL to fix major faults and the BA were not yet satisfied that all the problems had been identified (although this was contested by POCL and ICL) [WITN0420\_01/44, DWP00000027].

106. Further details in relation to the faults identified during the testing is contained in a DSS submission dated 15 April 1999 [WITN0420\_01/47, DWP00000019] which noted POCL's view that the targeted tests had identified and dealt with all known faults. The BA was of the view that a further run of testing was required because unidentified faults could put benefits payments to 60,000 Child Benefit customers at risk, put the live trial at risk and/or create a situation where the project had to be terminated because of failures of the software during the live trial.

107. The problems identified in these documents reinforced my belief that the contract should be made as simple as possible and that it was right for the project to proceed without the BPC although, as explained above, my objection to the BPC was primarily one of principle.

***Interdepartmental discussions***

108. I have been asked to explain to what extent inter-departmental discussions about the future of Horizon were influenced at this stage by the financial consequences of terminating the project, wider concerns about foreign investment in the UK, and issues about the technical integrity of the system.

109. The influence of the first two of these factors had not changed since the period between July-December 1998 that I have addressed above, except that by early 1999 the attitude to the cost of termination had softened in light of the comparably high cost of the other options under consideration. This is reflected in the Treasury submission dated 5 May 1999 [WITN0420\_01/46, HMT00000022] and the draft Treasury Report dated April 1999 [WITN0420\_01/44, DWP00000027].

110. I have addressed the technical integrity of the system above.

*The decision to cancel the BPC*

111. I have been asked to explain the reasons why the DSS cancelled the BPC and to what extent issues concerning the technical integrity and robustness of Horizon influenced this decision. I have addressed both of these issues above.

**Involvement with Horizon following the cancellation of the BPC**

112. I have been asked what the nature of my involvement in the Horizon project was after the cancellation of the BPC. From the papers that I have seen I do not believe I had any further involvement with Horizon during my term as Secretary of State for the DSS but without having seen all of the contemporaneous records from this period I cannot be sure. For example, I am fairly certain that following the cancellation of the BPC I would have been provided with advice with respect to the introduction of ACT but I have not seen any papers covering that period.

113. I have been asked what I understood the concerns of the Benefits Agency to be in relation to acceptance testing of the Order Book Control Service ('OBCS') and how

these issues were resolved. The OBCS was an anti-fraud measure within Horizon. I note the references in a DTI submission dated 1 July 1999 [WITN0420\_01/50, BEIS0000250], and the minutes of the Post Office Board Meeting of 19/20 July 1999 [WITN0420\_01/51, POL00038846], to a disagreement between the BA and POCL about how acceptance testing should operate in relation to the OBCS [WITN0420\_01/51, POL00038846]. These documents suggest that the BA wanted to have its own acceptance process and POCL had proposed a compromise whereby they would share the results of their acceptance testing with the BA.

114. I have also been asked at what point I ceased to become involved in matters relating to the Horizon system, what my understanding of the technical integrity and robustness of the system was at that stage, and whether I had any concerns about the Horizon system after my period in office as Secretary of State for the DSS. As noted above, between 5 May 2006 and 28 June 2007 I was Secretary of State for Trade and Industry. None of the papers that I have been provided with cover this period. I would be happy to assist the Inquiry with further information if it is required but, if I am to do so, I would need to see the relevant contemporaneous documentation.

**The Communication Workers Union and the National Federation of Sub-postmasters**

115. I have been asked what I understood the position of the Communication Workers Union ('CWU'), and the National Federation of Sub-postmasters ('NFSP'), to be in relation to Horizon. The NFSP's position was set out in the correspondence from

the General Secretary between August and November 1998. The Federation believed that the BPC was an essential part of the Horizon project and that, without it, the survival of thousands of sub post offices would be put at risk along with the stability, and future survival, of the wider network. The NFSP also strongly supported the Government's proposals for a single Government account and believed that the Post Office and Horizon could play a key role in this agenda [WITN0420\_01/52, NFSP00000425; WITN0420\_01/53, NFSP00000250; WITN0420\_01/54, NFSP00000437; and WITN0420\_01/55, NFSP00000368]. My recollection is that the CWU took a similar view but I cannot see any reference to this in the documentation that I have been provided with.

116. I have been asked to what extent, if at all, representations from the CWU and/or the NFSP influenced government policy on the future of the Horizon project. As noted above, maintaining a post office network was an important government policy which is why I was keen for POCL to have an automated system that would allow anyone to use the Post Office as a matter of choice. As I have explained, I had real doubts about whether it was right to compel people to use the Post Office which was one of my core objections to the BPC. The views of both the CWU and the NFSP weighed heavily with ministers, particularly with the DTI who had primary responsibility for the Post Office. However, we ultimately had to make a decision that met all of the government's policy objectives and one of the problems with BPC had always been that it amounted to a hidden subsidy to the Post Office in that it involved procuring a product that the BA did not really need for the commercial benefit of POCL.

**Scrutiny of technical issues**

117. I have been asked whether I feel that I was properly informed of issues concerning the technical integrity and robustness of Horizon during the period of my involvement and whether I feel that Government effectively scrutinised the technical integrity and robustness of Horizon during its negotiations with ICL about the future of the project.

118. As I have explained, between July 1998 and May 1999 Ministers were primarily concerned with how to move Horizon forward and, in particular, whether to retain the BPC. DSS Ministers were kept informed about technical issues that had occurred during the laboratory testing of the BPC but these problems did not necessarily mean the system lacked technical integrity or that the problems identified during the testing phase could not ultimately be resolved. As I have explained, had the BPC proceeded my view was that it would have required extensive 'live' testing in the field before it could be accepted and rolled out to benefits customers, but it never reached that stage because the Government decided that the payment card should be cancelled. I believe that the level of Government scrutiny of the technical integrity and robustness of Horizon during the negotiations, was appropriate given that the product was still being tested.

**Any other matters**

119. I am asked whether there are any other matters that I think will assist the Chair. In this statement I have sought to address all the questions asked of me but I remain willing to address further matters if the Inquiry has additional questions. As noted, if



the Inquiry would like me to address any later periods in which I held office then I would need sight of the relevant contemporaneous material in order to do so.

### Statement of Truth

I believe the facts stated in this witness statement are true.

**GRO**

Signed .....

Alistair Darling

Dated: 20 October 2022

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	<u>Exhibit number</u>	<u>Document Description</u>	<u>Control number</u>	<u>URN</u>
1	WITN0420_01/1	Letter from John Denham to Rt Hon Alistair Darling re: Automation of Post Offices and Benefit Payments	VIS00009483	DWP00000095
2	WITN0420_01/2	Ltr from A Darling MP to J Denham MP - Automation of Post Offices	VIS00009522	CBO00000018
3	WITN0420_01/3	Letter from J Denham Under Secretary for SoS to A Darling MP re: Automation of Post Offices and Benefit Payments	VIS00009517	CBO00000013
4	WITN0420_01/4	Letter from Rt Hon Margaret Beckett to Rt Hon Alistair Darling re: Post Office Counters LTD	VIS00009460	DWP00000072

5	WITN0420_01/5	Letter from A Darling MP to M Beckett MP re: Automating the Post Office and DSS Benefits Payments	VIS00009521	CBO00000017
6	WITN0420_01/6	Memoranda (with supporting papers) for Secretary of State on BA/POCL	WITN04200107	WITN04200107
7	WITN0420_01/7	BA/POCL Automation Programme Review, HM Treasury Independent Panel Report	POL-0024576	POL00028094
8	WITN0420_01/8	Letter from Stephen Byers to Keith Todd re Horizon project	BEIS0000264	BEIS0000284
9	WITN0420_01/9	Letter from Keith Todd to Stephen Byers MP re Benefits Agency/Post Office Counters Automation Project	BEIS0000263	BEIS0000283
10	WITN0420_01/10	Summary and Report to Chief Secretary by Independent Advisor, Graham Corbett on Horizon Project, 16 Oct 1998	POL-0024580	POL00028098
11	WITN0420_01/11	Letter from Jonathan Evans to John Roberts re 'Beyond Horizon' presentation to Ministers on 8 December 1998	POL-0025116	POL00028634
12	WITN0420_01/12	Letter from Dr Neville Bain, Chairman of the Post Office, to Peter Mandleson MP re ICL's proposals for Horizon	POL-0024811	POL00028329
13	WITN0420_01/13	Letter from SoS to Stephen Byers MP (Treasury) re POCL Automation Project	BEIS0000398	BEIS0000418
14	WITN0420_01/14	Annex to submission - Draft letter for Secretary of State	BEIS0000375	BEIS0000395

15	WITN0420_01/15	Ltr from A Darling MP to to S Byers MP - BA/POCL Automation Project	VIS00009542	CBO00000038
16	WITN0420_01/16	BA/POCL Automation Project: Towards an Inter-Ministerial Decision	WITN04200101	WITN04200101
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18	WITN0420_01/18	Briefing from David Sibbick to Secretary of State re Ministerial meeting on Horizon	BEIS0000107	BEIS0000127
19	WITN0420_01/19	BA/POCL automation project: Actions and Note from 18 August 1998 meeting with SoS	WITN04200102	WITN04200102
20	WITN0420_01/20	BA/POCL - Draft Memoranda for Secretary of State - Supportings Papers 1 and 2 (Contracts (2) and Negotiation Strategy(1))	WITN04200103	WITN04200103
21	WITN0420_01/21	BA/POCL Automation: Progress Report	WITN04200104	WITN04200104
22	WITN0420_01/22	Letter from Alistair Darling Department of Social Security to Chief Secretary to the Treasury	BEIS0000397	BEIS0000417
23	WITN0420_01/23	Briefing for meeting with Secretary of State re Horizon project.	BEIS0000121	BEIS0000141
24	WITN0420_01/24	Letter from Ian McCartney (Minister) to Treasury re Horizon project	BEIS0000380	BEIS0000400
25	WITN0420_01/25	Submission re BA/POCL Automation Project: Horizon	BEIS0000374	BEIS0000394
26	WITN0420_01/26	Submission from David Sibbick re Alistair Darling Horizon letter	BEIS0000376	BEIS0000396
27	WITN0420_01/27	Ltr from I McCartney DTI to PM - BA/POCL Automation Project - Horizon	VIS00009541	CBO00000037

28	WITN0420_01/28	BA/POCL Automation Interdepartmental Working Group - Further Report to Ministers	BEIS0000081	BEIS0000101
29	WITN0420_01/29	BA/POCL Automation Project: Presentation to CST and Ministerial Colleagues	VIS00009036	DWP00000015
30	WITN0420_01/30	BA/POCL Automation Project: Towards an Inter-Ministerial Decision	WITN04200105	WITN04200105
31	WITN0420_01/31	ICL Pathway Monthly Progress Report	POINQ0064346F	FUJ00058175
32	WITN0420_01/32	Re: Note of meeting with the Secretary of State and others on the 18th August 1998	WITN04200106	WITN04200106
33	WITN0420_01/33	Note of meeting between Mr Naruto and Ambassador re Horizon	BEIS0000316	BEIS0000336
34	WITN0420_01/34	Letter from Mr Naruto (Fujitsu) to Sir David Wright re BA/POCL Automation Project	BEIS0000317	BEIS0000337
35	WITN0420_01/35	Suggested Draft Letter from Mrs Sarah Graham to SoS re BA/POCL Automation Project	VIS00009833	DWP00000376
36	WITN0420_01/36	Memo from Mr Craig Lewis to Mr McCordell re Extract from Hansard 13.01.1999	VIS00009472	DWP00000084
37	WITN0420_01/37	Letter from Stephen Ward (APS/Lord Falconer) to Rosamund Roughton re meeting of Ministers to discuss BA/POCL project moving forward with ICL	POL-0025088	POL00028606
38	WITN0420_01/38	Draft letter from Secretary of State to Prime Minister re Horizon	BEIS0000147	BEIS0000167

39	WITN0420_01/39	Ministerial Submission from Peter Schofield to Chief Secretary re-BA/POCL: An alternative approach	VIS00007780	HMT00000015
40	WITN0420_01/40	Letter from HMT to ICL Pathway re-BA/POCL Automation Project: the way forward	VIS00007776	HMT00000011
41	WITN0420_01/41	Letter: Letter from Cabinet Office to DSS re-Horizon	VIS00007782	HMT00000017
42	WITN0420_01/42	Note to the Prime Minister on whether to proceed with an alternative approach to the Horizon Project	VIS00007779	HMT00000014
43	WITN0420_01/43	Letter to HM Treasury re Horizon from Prime Minister PPS	BEIS0000355	BEIS0000375
44	WITN0420_01/44	FAX to Ron Powell dated 19 April 1999	VIS00009048	DWP00000027
45	WITN0420_01/45	BA/POCL Automation Project: Taking Forward Ministers' Preferred Option	VIS00009037	DWP00000016
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48	WITN0420_01/48	Note to Prime Minister on Horizon (BA/POCL) Project	VIS00007789	HMT00000024
49	WITN0420_01/49	Ltr from PPS J Heywood to D Monnery - BA/POCL	VIS00009526	CBO00000022_002
50	WITN0420_01/50	Submission from David Sibbick to Secretary of State re Post Office negotiations with ICL	BEIS0000230	BEIS0000250
51	WITN0420_01/51	Report to PO Board concerning Contractual Negotiations with BA	POL-0027632	POL00038846
52	WITN0420_01/52	Letter to Alistair Darling from Colin Baker (NFSP)	VIS00008873	NFSP00000425

53	WITN0420_01/53	Circulation: NFSP - Horizon Programme, attaching letter from Colin Baker to Alistair Darling re enclosed Computer Weekly article, "Benefits card faces axe"	VIS00008698	NFSP00000250
54	WITN0420_01/54	Letter from Colin Baker to Alistair Darling re: Sub-Postmasters outlining their disagreement with Horizon proposals/payment of benefits via benefits card	VIS00008885	NFSP00000437
55	WITN0420_01/55	Letter to Alistair Darling from Colin Baker, enclosures: i) Times Article: "Lone parents 'must work'"; ii) DSS press release "Single account with government"	VIS00008816	NFSP00000368