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From the Principal Private Secretary

12 April 1999

*Dear Ros,*

**HORIZON BA/POCL**

The Prime Minister was grateful for the Chief Secretary's useful minute of 9 April.

The Prime Minister duly met Mr Naruto this afternoon. Naruto was accompanied by Keith Todd and George Hall (ICL) and an interpreter. Lord Falconer, Steve Robson, Geoff Mulgan, Jonathan Powell and I were also present.

The Prime Minister opened by thanking Naruto for the sensitive way in which Fujitsu had handled the closure of their semi-conductor plant in his constituency. Naruto in turn thanked the Prime Minister for the help that Fujitsu had been given by local agencies in the North East - 479 out of 550 employees had now found new jobs.

Turning to the Horizon project, Naruto said that he was very grateful for the work Steve Robson had done in recent weeks. He understood that ICL were now close to agreement with the DSS and POCL on a new way forward. ICL were fully committed to supporting the UK Government. He wanted to ask the Prime Minister to give Steve Robson complete authority to bring the current discussions to a successful resolution. On 23 April the Fujitsu Board would meet to decide whether to support the new project. He personally looked forward to securing a positive outcome. But he sincerely wished to get a legally binding agreement before the 23 April meeting. Fujitsu was spending £5-10m a month on the existing project. Nearly £300m had been invested so far. Sums of this magnitude could not simply be ignored.

Keith Todd added that more progress had been made in the last 6 weeks than in the previous 9-12 months. The project now in prospect was fully

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deliverable. Any assistance the Prime Minister could provide in bringing matters to a successful conclusion would be extremely welcome.

The Prime Minister said that he too was very keen to make progress over the next 3-4 days. His only concern was to get a viable system agreed that would actually deliver what the Government wanted both now and in the future. Steve Robson agreed – he was working towards the 23 April date and hoped the remaining issues could be resolved.

I am copying this to Rod Clark (Department of Social Security), Antony Phillipson (Department of Trade and Industry), Mark Langdale and Sebastian Wood (Cabinet Office).

**GRO**

JEREMY HEYWOOD

Ros Roughton Esq  
HM Treasury

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