

Witness Name: Sir Anthony Blair

Statement no.: WITN0608_01

Exhibits: WITN0608_01/1 to WITN0608_1/7

Dated: 14 November 2022

IN THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF SIR ANTHONY CHARLES LYNTON BLAIR

I, SIR ANTHONY CHARLES LYNTON BLAIR, will say as follows:

INTRODUCTION

1. This witness statement is made in response to a request pursuant to Rule 9 of the Inquiry Rules 2006, dated 15 September 2022. Along with that request I have also been provided access to some documents from the period February 1998 to May 1999, and I have been asked a set of detailed questions in respect of these documents.

BACKGROUND

2. I was Prime Minister from 1997 until 2007. The Horizon IT Project ("the Project") was a significant endeavour which my government inherited from our predecessors. As one would expect, the Project was led by civil servants and overseen by relevant ministers. As Prime Minister, I would likely have received periodic updates on progress. I would also have been approached and asked to get more involved if there were significant developments such as serious risk to

project delivery, and indeed the material I have been provided with covers a period between 1998 and 1999 when this is exactly what happened.

3. I have reviewed the documents provided to me by the Inquiry.
4. Whilst reviewing the documents has assisted to a very limited extent, I am unable to recall much of the specific detail sought by way of the Inquiry's detailed questions. With a view to assisting the Inquiry as best I can, I have nonetheless sought to provide what further detail I can as below.
5. Whilst I have very limited recollection of the precise events during this period, I do recall that some concerns were raised in respect of reliability of the end product being developed. I recall that my overarching concern was that the Project should deliver a reliable end product, and that I asked questions about this. I recall making clear that if the problems with the Project related solely to commercial aspects then I was content to continue to work to try to find a way forward, but if there were concerns about product reliability then we should not. I recall that I subsequently received the necessary reassurances as to reliability.
6. This recollection appears to be supported by the documents I have been shown.
For example:
 - a. The written submission to me from Geoffrey Mulgan dated 9 December 1998 [WITN0608_01/1] has a handwritten note from me on the bottom which says as follows:

"I would favour Option 1 but for Geoff's statement that the system itself is flawed. Surely there must be a clear view on this. Speak to me on that: ie reading the enclosed paper, it all focuses on the financial deal. But there the risks are pretty even, probably coming down on the side of continuing. The real of heart of it is the system itself."

- b. Peter Mandelson's letter to Stephen Byers of 10 December 1998, which was copied to me [WITN0608_01/2] says *"There is still some way to go to complete the Horizon project, but the basic development work has been thoroughly evaluated by independent experts who have pronounced it viable, robust and of a design which should accommodate future technological developments... I believe the only sensible choice is to proceed with the Horizon project. It is the way forward which offers the least commercial and technological risk."*
- c. The letter of 14 December 1998 from Ian McCartney to Stephen Byers [WITN0608_01/3] provides reassurance in respect of acceptance testing, including that this was to encompass live trials in 300 offices.
- d. The letter of 16 December 1998 from Alistair Darling to Stephen Byers [WITN0608_01/4] confirms the government's rejection of proposals to dilute acceptance criteria for the project.

- e. Jeremy Heywood's letter to Her Majesty's Treasury of 12 April 1999
[contained at p 5 – 6 of WITN0608_01/5] reports that "*[my] only concern was to get a viable system agreed that would actually deliver what the Government wanted both now and in the future.*"
 - f. Final Report to Ministers dated April 1999 [WITN0608_01/6]. I note that this refers again to technical reviews having been conducted (paragraph 5) and user acceptance testing (for example paragraph 7).
7. More broadly, I recall a protracted period during which various alternative options were developed, discussed within government, and negotiated with International Computers Limited ("ICL") and Fujitsu. I also recall that a variety of factors were at play in our deliberations, including the need for an effective solution to be delivered timeously, value for money for the taxpayer, the government's modernisation agenda, the future of the Post Office network, the UK's relationship with Fujitsu and other Japanese investors, and the future viability of International Computers Limited ("ICL") as a UK company. I note that this is borne out by the material I have seen.
8. Turning to the specific questions covered by the Rule 9 request itself, I will attempt to address these as best I can in broad topic areas. They appear to cover the following:
- (a) What I knew about the delay to the project.
 - (b) The relevance of my constituency.

- (c) My role in the negotiations, including my understanding of the various options that were developed and reasons for the decisions taken.
- (d) My dealings with the Chairman of ICL and the Vice Chairman of Fujitsu, including matters surrounding the closure of Fujitsu's manufacturing plant in Newton Aycliffe.
- (e) What I understood about the conclusions of external IT experts and the volume of known problems.
- (f) What I understood at the time to be the key lessons learned.

What I knew about the delay to the project

- 9. Whilst I recall being alerted to and brought into the discussions about these issues in 1998 and 1999, I have no detailed recollection of the precise events and so am unable to usefully comment on or add to what is in the written record.

The relevance of my constituency

- 10. ICL was closely associated with, and eventually acquired by, Fujitsu. Fujitsu operated a semi-conductor manufacturing plant in Newton Aycliffe which was within my constituency. I see that this was flagged to me in some of the briefings. I do not consider this to be unusual as it is common practice for a Member of Parliament to be alerted to matters affecting their constituency, especially in any

briefings. This would not however have materially impacted on my approach to matters as Prime Minister, and I note that nothing in the material I have seen suggests that it did.

11. Furthermore, in September 1998 it was announced that the plant would close in December with the loss of 600 jobs. The government, and I personally, were naturally concerned about this and its impact on the local community, especially the loss of local jobs. I see that this was mentioned in passing in my letter to the Chairman of Fujitsu [WITN0608_01/7], but the material I have seen does not suggest that this was relevant to the matters being considered, nor is that my recollection.

My role in the negotiations, including my understanding of the various options that were developed and reasons for the decisions taken

12. I have no detailed recollection of the precise events and so am unable to usefully comment on or add to what is in the written record, beyond that already covered above.

My dealings with the Chairman of ICL and the Vice Chairman of Fujitsu, including matters surrounding the closure of Fujitsu's manufacturing plant in Newton Aycliffe

13. I have nothing to usefully add here beyond what the material I have seen shows, which broadly confirms that in an attempt to unblock matters and agree a way forward, engagement between the Government and Fujitsu (including ICL) extended to the highest levels. As I have already mentioned, I see that the closure of Fujitsu's manufacturing plant in Newton Aycliffe was mentioned during these exchanges but the documents do not suggest that this was relevant to the matters being considered, nor is that my recollection.

What I understood about the conclusions of external IT experts and the volume of known problems

14. I have no further specific recollection of these matters beyond what I have already explained above in respect of my desire to ensure that the end product was reliable, and that I was provided with reassurances in this regard.

What I understood at the time to be the key lessons learned

15. I am unable to recall what I personally understood, at the time, to be the key lessons learned. However my experience, both from my time in office and thereafter, is that large technology projects can be highly complex and often subject to significant disagreement about the best approach. I have learned that it is crucial to obtain advice from experts with deep experience in the field who can provide the necessary assurance. As I have explained, I sought and obtained assurances as to the reliability of the product being developed. It is now clear that

the Horizon product was seriously flawed, leading to tragic and completely unacceptable consequences, and I have deep sympathy with those affected.

I believe the content of this statement to be true.

GRO

Signed.....

Dated.....14 November 2022.....

**Index to the First Witness Statement of Sir Anthony Charles Lynton Blair dated
14 November 2022****WITN0608**

<u>No.</u>	<u>Exhibit Number</u>	<u>Document Description</u>	<u>Control Number</u>	<u>URN</u>
1 .	WITN0608_01/1	Ltr from G Mulgan to PM dated 09/12/1998	CBO00100001_072	CBO00100001_072
2 .	WITN0608_01/2	Ltr from P Mandelson to S Byers dated 10/12/1998	VIS00009512	CBO00000008
3 .	WITN0608_01/3	Ltr from I McCartney to S Byers dated 14/12/1998	VIS00009514	CBO00000010
4 .	WITN0608_01/4	Ltr from A Darling to S Byers dated 16/12/1998	VIS00009553	CBO00000049
5 .	WITN0608_01/5	Ltr from J Heywood to Ros Roughton at HMT dated 12/04/1999	CBO00100002_045	CBO00100002_045
6 .	WITN0608_01/6	BA/POCL Automation Final Report to Ministers dated April 1999	CBO00100002_041	CBO00100002_041
7 .	WITN0608_01/7	Ltr from PM to Mr Sekizawa date unknown but not before 19/03/1999	VIS00009550	CBO00000046