



Sir Wyn Williams – Chair  
Post Office Horizon IT Inquiry  
1 Victoria Street  
London SW1H 1ET  
**BY EMAIL ONLY**

28 April 2023

Dear Sir Wyn

**GLO ex gratia scheme – funding model and deadline**

We write to clarify the basis upon which the GLO ex gratia scheme is being funded, and to propose a potential solution to the concerns, expressed by core participants and the Chair at the compensation focused hearing of 27 April 2023.

**The issue**

You will be aware that all claims, and associated disbursements and legal costs, under the scheme must be resolved by 7 August 2024. You addressed this in your January 2023 report at paragraph 39, where you stated:

*The funding for payments under the scheme has been obtained by the Government in reliance upon statutory provisions which dictate that the funds must be used for their allocated purpose by that date. That means that approximately 550 claims will have to be considered in the course of the next 20 months. The experiences gained in administering the HSS and OHCS demonstrate how challenging this will be.*

Yesterday, during the course of the submissions of Mr Chapman for DBT (page 17 lines 6 – 15), you stated:

*Well, I can't express my anxieties about this timeline too strongly. Anxieties in the sense of, just put to it in terms I think we can all understand, you will have upwards of 400 people, no doubt, by the end, who are making applications under this scheme, and you have approximately 14 months or thereabouts, 15 months, in order to achieve your objective. Again, without wishing to attribute blame for this, albeit with much greater*

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*numbers, HSS is now roughly three years old and counting, so you understand why I'm concerned.*

During our submissions our counsel, Mr Jacobs, sought an explanation from DBT as to the funding basis of the scheme, the rationale for the deadline, and whether there was a contingency plan in place to provide for cases that are not resolved by 7 August 2024.

Following those submissions, and on the margins of the hearing, Mr Rob Brightwell of DBT helpfully provided us with a copy of a note on the 1932 concordat, under which he advised that the scheme has been funded. Mr Brightwell also explained that appropriations made under this concordat are time limited to 2 years, with no provision for extension.

Enclosed with this letter is a copy of a Parliamentary note on “Government controls on pre legislative action and expenditure” provided to us by Mr Brightwell. A link to that note can also be found [here](#).

Mr Brightwell advised that, as interim payments had been commenced in August 2022, the funding methodology required all payments to be made within 2 years, i.e. 7 August 2024, with no facility for extension.

### **Solution**

It may be the case that the GLO scheme was funded in this way, rather than through normal channels, so that a scheme could be launched in haste. Whatever the reasoning for adopting this model, a means to allow compensation to be paid after 7 August 2024 must be found.

We consider that compensation for GLO SPMs is not contentious, and compensating such SPMs enjoys wide and publicly expressed support across both Houses, and across all Parties. It is therefore likely that the government could put the funding of the scheme on a standard footing within the DBT budget or other Departmental budget without difficulty.

### **Conclusion**

At the close of the hearing of the 27 April 2023, Counsel to the Inquiry, Mr Beer KC invited you to consider publishing a statutory interim report on compensation matters, in order to address a number of issues including (page 148, line 5 – 18):

*Fourthly, you should consider whether to recommend that, first, the Department must promptly promulgate a timetable that will deliver fair and reasonable compensation for all applicants under the GLO scheme before 7 August 2024; that, secondly, that timetable should be published; thirdly, that the Department must put in place sufficient resources, including by making appropriate funds available to both the Post Office and to applicants, to enable the published timetable to be delivered by 7 August 2024.*

*So it's essentially the promulgation of a timetable that meets the guillotine point that the Government itself, through its own legislation, has imposed on this scheme.*

Mr Beer KC reminded you that (page 144, line 10 -19):

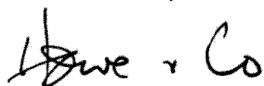
*Although there is no requirement under the Act for the Government or for those to whom recommendations within a report are addressed formally to respond to such recommendations, the long-standing convention is that they do so, and that they do so formally, not simply by taking action or not taking action: by stating whether they accept your recommendation and, if not, why not*

If you conclude, having considered all of the submissions from the relevant parties, and in the light of Counsel to the Inquiry's submissions, that it would be appropriate to publish a statutory interim report, we would ask that you address the 7 August 2024 deadline in any such report.

We would further ask that, in any such report, you recommend that the funding arrangement for the GLO ex gratia scheme be put on a standard, rather than emergency basis, to provide for claims to be paid after 7 August 2024.

Finally, we confirm that we are content for this letter and its attachment to be shared with other core participants, and to be published by the Inquiry.

Yours sincerely



**Howe + Co**

**Enclosed** – Copy of a Parliamentary note on “Government controls on pre legislative action and expenditure