



Kevin Hollinrake MP
Parliamentary Under Secretary of State

Department for Business and Trade
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Laura Trott MBE MP
Chief Secretary to the Treasury
His Majesty's Treasury
1 Horse Guards Road
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23 February 2024

Dear Laura,

In January 2024, the Prime Minister announced that the Government would legislate to overturn all convictions in England and Wales which were based on Horizon evidence or Post Office Limited's egregious prosecutorial behaviours. These individuals would then become eligible for compensation. This could mean an additional 881 claims for compensation.

I am proposing that my department, the Department for Business and Trade, takes on responsibility for setting up and delivering the scheme for compensating this new cohort of claimants and not Post Office Limited.

I am therefore writing to you for HM Treasury cover for:

Additional civil service headcount on top of the requirement for the core Department of between 35 and 50 FTE.

Additional budget for administrative costs and contracts. We are still developing the model and firming up costs. We expect costs of at least £25m but they could be as much as £57m. We would welcome confirmation of £25m of funding initially to be provided at the Main Estimate with agreement that additional funding will be provided in the Supplementary Estimate when costs have been confirmed.

This will support the full set up of the Horizon Compensation Unit within the department and administration of compensation related to the Horizon scandal.

There are clear reasons why there is a strong case for the department delivering the compensation. There is a high public level of distrust in Post Office Limited especially amongst the affected postmasters. We have heard reports from claimants that re-engaging with Post Office Limited to access compensation is re-traumatising.

We have also seen (as in the Horizon Shortfall Scheme) mistrust of Post Office Limited leading to calls for existing schemes to be re-run by the Department for Business and Trade. A Department for Business and Trade run compensation is the Horizon Compensation Advisory Board's firm preference.

There is Ministerial, Parliamentary and public appetite to grip the compensation delivery in terms of pace, control and admin/legal spend. The multiple governance layers associated with a process that includes Post Office Limited, UK Government Investments and the department, has been criticised for slowing delivery of compensation to victims.

The Prime Minister has asked that the Bill which will deliver mass exoneration of those convicted to be fast tracked into and through Parliament. This means we would expect it to reach Royal Assent in June or July. Given the Government's unequivocal commitments on this issue, I want us to be ready to deliver compensation immediately at this point to avoid negative impacts on victims of the scandal on having to wait to access redress; any delay would represent a significant reputational risk.

I am separately in discussion with the Advisory Board about their calls for my Department to take on responsibility for the Horizon Shortfall Scheme and compensation for those postmasters whose convictions have already been overturned. This is not covered within the request so we may need to return to you on this point after we have given the ideas more detailed consideration, working with your officials.

I would therefore be grateful for a response as soon as possible.

Yours ever,

A stylized signature consisting of the letters 'GRO' in a bold, sans-serif font, enclosed within a dashed rectangular border.

KEVIN HOLLINRAKE MP

Minister for Enterprise, Markets and Small Business