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Dame Meg Hillier  
Chair  
Public Accounts Committee  
House of Commons  
London  
SW1A 0AA

By Email: [pubaccom@parliament.uk](mailto:pubaccom@parliament.uk)

16<sup>th</sup> August 2022

Dear Chair,

### **Infected Blood Inquiry: Interim Compensation Payments**

On 29<sup>th</sup> July 2022, the Chair of the Infected Blood Inquiry, Sir Brian Langstaff, announced an interim recommendation ahead of his final recommendations (expected to be in 2023). He set out that:

- (1) “An interim payment should be paid, without delay, to all those infected and all bereaved partners currently registered on UK infected blood support schemes, and those who register between now and the inception of any future scheme;
- (2) The amount should be no less than £100,000, as recommended by Sir Robert Francis QC.”

The Minister for the Cabinet Office will be writing to the Chair of the Inquiry shortly and the Prime Minister will be announcing tomorrow (17<sup>th</sup> August 2022) that the government will be accepting this recommendation in full and that the intention is for payments to be made to the vast majority of beneficiaries by the end of October 2022.

We anticipate that the payments to beneficiaries and bereaved partners across the four nations (including those already registered on support schemes and others who may come forward in the future) to be in the region of £434.4m.

Announcing these interim payments will create an unquantifiable contingent liability. This is because it may reasonably be presumed that by accepting the recommendation for an interim payment, government intends to accept future

recommendations relating to further payments to the same beneficiaries or additional persons. Ahead of the final report and understanding the scope, level and timings of any such recommended payments, and a decision by ministers about the extent to which these are agreed to, it is not yet possible to quantify the scale of any liability.

It is normal practice, when a government department proposes to undertake a contingent liability in excess of £300,000 for which there is no specific statutory authority, for the Minister concerned to present a departmental Minute to parliament giving particulars of the liability created and explaining the circumstances; and to refrain from incurring the liability until fourteen parliamentary sitting days after the issue of the Minute, except in cases of special urgency.

Whilst the above represents best practice as per Managing Public Money, we have received advice from the Treasury Officer of Accounts that as this contingent liability represents future uncertainty to be resolved by future ministerial commitments, stemming from the inquiry's final recommendations, rather than an explicit commitment at this stage, full notification of this contingent liability via a Written Ministerial Statement and Departmental Minute is not appropriate at this point, and should instead occur at the point until Parliament is informed of the full details of any proposed scheme.

If the contingent liability continues to exist over the 2022-23 financial year and subsequent financial years, it will be disclosed in the relevant areas of the Department's Estimate and Annual Report and Accounts. When the liability is called upon provision for both the obligations stemming from future ministerial commitments and subsequent payments of these obligations will be sought through the normal Supply procedure.

We have had to work at pace to respond positively to the interim recommendation from the Inquiry Chair. In doing so we have, of course, continued to have due regard for the fundamentals of protecting the taxpayer and ensuring appropriate standards of public administration are followed. My agreement to this announcement is in part based on my assurance as Accounting Officer that approval has already been granted by the Secretary of State for Health and Social Care and the Chief Secretary to the Treasury.

I am writing in equivalent terms to Rt Hon Jeremy Hunt MP as Chair of the Health and Social Care Select Committee. A copy of this letter is also being sent to Gareth Davies, Comptroller and Auditor General and to the Treasury Officer of Accounts.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Shona Dunn', with a stylized, flowing script.

**SHONA DUNN**

DHSC Second Permanent Secretary