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Rt Hon Rishi Sunak
Chancellor of the Exchequer
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Dear Rishi,

I am writing to update on the Infected Blood Inquiry, as promised in my letter of 13 July, specifically our commitments on financial support and compensation.

Financial support

People affected by this tragedy receive ex-gratia financial and non-financial support through the Infected Blood Support Schemes of the four UK nations. The use of infected blood occurred before devolution of government across the UK, and Ministers and the previous Prime Minister have committed to address disparities across the UK in the levels of financial support provided by the four devolved schemes.

My officials have worked with Departments of Health across the four UK nations to cost providing parity of financial support. The total additional costs over the next 5 years are estimated to be approximately £161m: £99m for England, £32m for Scotland, £24m for Wales, and £6m for Northern Ireland. Details of these costings are annexed to this letter.

Sir Brian Langstaff, the Chair of the Inquiry, has spoken of the “grinding hardship” experienced by the affected community and addressing these disparities will go a significant way to alleviate this hardship.

I would be grateful for your views on how this additional funding would be integrated best into the 2020 Comprehensive Spending Review.

Compensation for victims

I expect Sir Brian to make recommendations about levels of financial support, and it is inevitable that the Government will need to provide substantial compensation. The costs are likely to be high, and I firmly believe that we should begin preparing for this now - before the Inquiry reports.

I would also like to meet with you or the Chief Secretary, to discuss the Cabinet Office's suggestions for our approach to compensation.

I cannot stress enough the urgency of taking long overdue action on financial support and compensation. I have copied this letter to the Chief Secretary to the Treasury and the Parliamentary Under Secretary of State for Health.

We have ideas about a solution to this and have been trying for some time to secure a meeting with you.

GRO-C

**Rt Hon Penny Mordaunt MP
PAYMASTER GENERAL**

Annex: Breakdown of expected additional payments for the Infected Blood Support Schemes of England, Scotland, Wales and Northern Ireland

These estimates were developed by DHSC and Departments of Health of the Devolved Administrations, to address financial disparities across the Infected Blood Support Schemes for which they are responsible.

Each scheme provides support to people historically infected with hepatitis C and/or HIV from NHS blood or blood products. Support is also provided to families and civil or long-term partners after the death of someone infected. Summarised below are the aggregated costs for expected additional payments.

England

Scheme	Expected additional payments 2020/21-2024/25
Bereaved partners	£76.8m
Hepatitis C Stage 1 (+30K)	£1.20m
Hepatitis C Stage 2	£15.7m
Co-infected Hep C Stage 2	£1.00m
HIV lump sum payments	-
Lump sum payment (10K)	£4.10m
Total	£98.9m

Scotland

Scheme	Expected additional payments 2020/21-2024/25
Bereaved partners	-
Hepatitis C Stage 1 (+30K)	£22.5m
Hepatitis C Stage 2	£0.77m
Co-infected Hep C Stage 2	£0.97m
HIV lump sum payments	£1.66m
Lump sum payments	£2.62m
HIV payment scheme + DHSC HIV transfer	£3.78m
Total	£32.3m

Wales

Scheme	Expected additional payments		
	2016/17 - 2019/20	2020/21 - 2024/25	Total
Bereaved partners	£1.03m	£6.21m	£7.24m
Hepatitis C Stage 1 (+30K)	£3.45m	£0.05m	£3.50m
Hepatitis C Stage 2	-	£0.98m	£0.98m
Co-infected Hep C Stage 2	-	£0.08m	£0.08m
HIV lump sum payments	£0.42m	-	£0.42m
Lump sum payment (10K)	-	£0.22m	£0.22m
Annual Payments Core	-	£9.48m	£9.48m
Annual Payments New Joiners	-	£1.79m	£1.79m
Total	£4.90m	£18.8m	£23.7m

Northern Ireland

Scheme	Expected additional payments		
	2017/18 - 2019/20	2020/21 - 2024/25	Total
Bereaved partners	£0.69m	£1.90m	£2.58m
Hepatitis C Stage 1 (+30K)	£1.83m	-	£1.83m
Hepatitis C Stage 2	-	-	-
Co-infected Hep C Stage 2	-	-	-
HIV lump sum payments	£0.31m	-	£0.31m
Lump sum payment (10K)	-	£0.01m	£0.01m
Estimated cost of introducing Special Category Mechanism or enhanced support for Hep C Stage 1 (based on same % uptake as Eng)	-	£1.34m	£1.34m
Total	£2.83m	£3.25m	£6.07m