

Witness Name: Rt Hon Nadhim Zahawi

Statement No.: WITN7715001

Exhibits: nil

Dated: 4th July 2023

INFECTED BLOOD INQUIRY

WRITTEN STATEMENT OF Rt Hon Nadhim Zahawi

I provide this statement in response to a request under Rule 9 of the Inquiry Rules 2006 dated 5 June 2023.

I, Nadhim Zahawi, will say as follows: -

Section 1: Introduction

1. I was Chancellor of the Exchequer between 5 July 2022 and 6 September 2022 and Chancellor of the Duchy of Lancaster between 6 September 2022 and 25 October 2022. I make this statement pursuant to a 'Rule 9' Request from the Inquiry dated 5 June 2023, which has asked me questions regarding my involvement in the Inquiry in my capacity as a previous Chancellor of the Exchequer and Chancellor of the Duchy of Lancaster.
2. I know from my own discussions with constituents who are victims of the infected blood scandal just how traumatic their heart-breaking experiences have been, and I was proud to campaign as an MP on their behalf and continue that work as a government minister.
3. No level of compensation will ever make up for the appalling treatment and circumstances that those affected by this scandal and their families have had to endure, as I said previously in a press statement on 22 October 2022, I but I hope the interim payments we made when I was in office began to offer some recompense.

Section 2

4. **I have been asked to describe my role as Chancellor of the Exchequer in relation to the Government's decision-making in response to the First Interim Report of the Infected Blood Inquiry, the announcement on 17 August 2022 that interim compensation payments would be made and the arrangements for the payments to be made.**
5. On 8 August 2022 I received advice from my officials informing me that Cabinet Office and DHSC had requested HMT's approval to make an announcement in response to the Infected Blood Inquiry's interim recommendations. This advice was also provided to the Chief Secretary of the Treasury. The scope of this advice included the funding of interim payments, devolution implications and the tax treatment of interim payments. The issues contained in this advice were still live and were actively being considered by my officials.
6. On 12 August 2022 I received further advice from my officials on outstanding issues relating to the announcement including the treatment of benefits, treatment of tax and contingent liability.
7. On 16 August 2022 I received further advice recommending final approval for the announcement with which I agreed.
8. On 16 August 2022 I approved the announcement from Cabinet Office and DHSC that confirmed the Government's acceptance of the Infected Blood Inquiry's recommendations, namely, an intention to make payments of £100,000 by the end of October 2022 to infected people and bereaved partners currently registered on the support scheme; an intention to exempt these payments from tax and benefits and an intention to make new funding available for these processes, including to the Devolved Administrations.
9. **I have been asked to describe my role as Chancellor of the Duchy of Lancaster in relation to the arrangements for the interim compensation payments to be made.**

10. On 22 October 2022, I made a joint press statement with Cabinet Office, DHSC and Will Quince MP in my capacity as the Chancellor of the Duchy of Lancaster.
11. The statement confirmed that infected individuals and bereaved partners who were registered with any of the four UK infected blood support schemes would receive letters confirming a £100,000 interim compensation payment along with details of how the money would be paid. The statement further confirmed that payments would not be subject to any tax or national insurance deductions, nor would they affect any financial benefits support an individual was receiving.
12. The statement further highlighted that interim compensation payments were expected to reach £400 million for the whole UK, with agreement also reached for payments to be made through schemes in Scotland, Wales and Northern Ireland as well as those in England.

Statement of Truth

I believe that the facts stated in this witness statement are true.

Signed

GRO-C

Dated

4th July 2023