

Rt Hon Liam Byrne MP
Chair, Business and Trade Committee
House of Commons
London
SW1A 0AA

T +44 (0) 20 4551 0011
E Hollinrake.correspondence@businessandtrade.gov.uk
W www.gov.uk/dbt

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Dear Liam,

Congratulations on your election as Chair of the Business and Trade Committee. Your Committee has always taken a strong interest in all issues relating to the Post Office. Consequently, I wanted to take this opportunity to write to you with a short update relating to funding to the Post Office.

I have today announced the Government intends to provide additional financial support to Post Office Limited of up to £150 million plus any contingency that may be required. This funding will enable the company to meet the costs of participating in the Post Office Horizon IT Inquiry and of operating compensation schemes for postmasters.

The final level of funding required is currently being finalised. The Government will confirm to the House the outcome of considerations on financing needs at the earliest opportunity following finalisation.

The Government also intends to provide additional funding to help with the development of the replacement for the Horizon IT system and to ensure the Horizon system is maintained before that replacement is rolled out.

This funding is subject to compliance with subsidy control requirements, including referral to the Subsidy Advice Unit (part of the Competition and Markets Authority) for review under the Subsidy Control Act 2022. In accordance with the Act, the Subsidy Advice Unit has today confirmed that they have accepted our request for a report on the proposed subsidy, and their report should be available within 30 working days. No formal award of funding will be made until this process is completed.

More broadly, Government remains fully committed to ensuring the long-term sustainability of the Post Office and will continue to take the necessary steps to ensure post offices remain at the heart of our communities and that the wrongs of the past are addressed.

I would also like to thank your Committee for the continued interest on Post Office issues.

Yours ever,

A handwritten signature in dark ink, appearing to read 'Kevin', with a stylized, cursive script.

Kevin Hollinrake MP
Minister for Enterprise, Markets, and Small Business
Department for Business and Trade