Civil Service Chief Operating Officer & Cabinet Office Permanent Secretary

Catherine Little CB
Civil Service Chief Operating Officer
and Cabinet Office Permanent Secretary

3 July 2025

Infected Blood compensation

Dear Sir Geoffrey and Simon,

The Government is committed to paying compensation to the victims of the infected blood scandal quickly and effectively. I am writing to you to provide transparent and open engagement with Parliament on how I am discharging my responsibilities as Principal Accounting Officer, in order to prioritise a faster payment approach to victims of the infected blood scandal.

Given the historic nature of the scandal, the time it has taken the State to address the scandal, and the need to make sure that wherever possible victims are compensated in their lifetimes, the Minister for the Cabinet Office and Paymaster General has been clear that our response should be accelerated wherever possible whilst learning from government's response to the Covid-19 pandemic in regard to delivery at speed and management of risk. The Infected Blood Compensation Authority (IBCA) will use a package of measures which should allow it to start claims and make offers to all the living registered infected by the end of 2025 and therefore also to accelerate the number of payments to that group. As a result it will also enable IBCA to move more quickly to opening claims from further cohorts.

To deliver this objective Ministers have considered that it is appropriate and necessary to increase our risk appetite to levels higher than would normally be the case. Ministers' aim in doing this is to accelerate the making of payments to the community. I recognise that in prioritising speed of payment, I, in my judgment as Accounting Officer, am willing to accept increased propriety and value for money risks crystallising. I will be looking to set a threshold below which additional confirmatory evidence will not be sought. This includes where the difference is to the benefit of the claimant. This is a novel and contentious matter for which I have obtained in principle approval from HM Treasury through the Chief Secretary to the Treasury, pending business case approval.

I believe that this approach is entirely commensurate with the expectations placed upon me as an Accounting Officer. I have undertaken an Accounting Officer Assessment against the 4 tests outlined in Managing Public Money, my conclusion is that the approach is in line with the will of Parliament, feasible and likely to deliver greater value for money as we aim to maximise the time available to make payments and reduce resources needed in the long term. As set out in Managing Public Money at 3.11.4 *"Sometimes, it is possible to do no more than identify the scale of the problem to be tackled and then examine why the proposed action should both be effective and have tolerable cost. Wherever proposals or projects are taken forward, accounting officers shall identify and assess risks, and design* *and operate the most effective risk treatment activities (including controls) possible in the time available."*

To mitigate fraud risk in this work, IBCA has been and will continue to regularly and actively engage with the Public Sector Fraud Authority (PSFA) and we are planning further engagement with the COVID Counter-Fraud Commissioner to gather their recommended mitigations and incorporate lessons learned from previous experiences. I still expect IBCA to be constantly monitoring and adapting their control environment without impacting the outcomes we are trying to achieve. I will hold a formal review of this approach to risk before the end of this financial year (2025/26) and inform you of the review findings ahead of the publication of our Annual Report and Accounts.

In addition to exploring a threshold change below which additional confirmatory evidence will not be sought, we are also implementing a further package of measures that will accelerate the number of payments to the registered infected. This will include:

- using Victims and Prisoners 2024 Act (VAP) powers to get records from the Infected Blood Inquiry and using testimony to contribute to assessment of proof of infection. This will speed up overall processing times for compensation claims where such testimony exists;
- accepting a higher data security risk than the Cabinet Office's current risk tolerance;
- increased commercial risk appetite and confirming IBCA have delegated authority to make awards; and,
- giving the IBCA HR Director delegated authority (which they previously did not hold) to agree Temporary Promotions and retention allowances for specialist staff (e.g. digital and data) and, where necessary, to take greater risks on recruitment approaches. These delegated authorities will all be within the Cabinet Office pay remit. This will also enable IBCA to make compensation payments more quickly because it will be easier to recruit more claims managers more rapidly and also will mean IBCA is able to recruit specialists who are necessary to build the service quickly in areas such as data.

The overall impact will be to speed up payments and increase delivery confidence to make offers to all living registered infected people on the core route and to open for claims from the unregistered infected by the end of 2025. We will engage the Office for Budget Responsibility ahead of the Autumn Budget to discuss the impact of any acceleration on forecasts for the Infected Blood Compensation Scheme.

I am copying this letter to the Chancellor of the Duchy of Lancaster, the Minister for the Cabinet Office and Paymaster General, the Chief Secretary to the Treasury, Sir Robert Francis and the Comptroller and Auditor General. I understand that the Minister for the Cabinet Office intends to lay a copy of this letter in the libraries of both Houses.

Yours sincerely,

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