

Witness Name: Kevin Hollinrake

Statement No.: WITN11460100

Dated: 7 October 2024

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF KEVIN HOLLINRAKE

I, Kevin Hollinrake, will say as follows.

Introduction

1. I am the Conservative Member of Parliament for Thirsk and Malton, having first been elected in 7 May 2015, and the Shadow Secretary of State for Business and Trade. From October 2022 to July 2024, I served as a Minister at the Department for Business and Trade ("DBT" or "the Department") and was responsible for the Post Office, including redress and transformation.
2. I make this statement in response to the Inquiry's request for evidence dated 26 July 2024 ("the Rule 9 request"). I have prepared it with the support of the Government Legal Department and counsel. I have been reliant on others putting documents before me to help me in its preparation.
3. As requested by the Inquiry, I have focused on answering the questions posed in the Rule 9 request. I would of course be happy to provide additional relevant evidence should it be helpful.

Background

4. After a career in business which began in 1992, I was elected as the MP for Thirsk and Malton at the General Election in May 2015. I sat on the backbenches until my first ministerial appointment, as Parliamentary Under-Secretary of State in DBT on 27 October 2022. On 26 March 2024, I was promoted to Minister of State (Minister for Enterprise, Markets and Small Business) in DBT. I remained in that post until the General Election in July 2024, following which I was appointed Shadow Secretary of State for Business and Trade.

The importance of redress and Post Office transformation

5. As Minister of State, my portfolio of responsibilities [List of Ministerial Responsibilities- webpage, RLIT0000374] included:
 - Small business and enterprise
 - Scale Up Strategy
 - Access to finance
 - Retained EU Law (Repeal and Reform)
 - Labour market and employment rights (including National Minimum Wage)
 - Postal services (including Royal Mail)
 - Consumer and Competition policy (including Subsidy Control)
 - Mutual recognition of professional qualifications
 - Office for Product Safety and Standards
 - Levelling Up and Regional Growth
 - Corporate governance and transparency
 - Audit and insolvency
 - Hospitality
 - Retail
 - Consumer goods
 - Personal Care
 - Post Office Limited
 - British Business Bank
 - Low Pay Commission
 - ACAS
 - Small Business Commissioner

- Companies House
- Competition & Markets Authority
- Competition Service
- Insolvency Service
- Competition Appeal Tribunal Central Arbitration Committee
- Certification Officer
- Office of Manpower Economics
- Office of the Regulator of Community Interest Companies
- Groceries Code Adjudicator
- Pub Code Adjudicator
- British Hallmarking Council
- Financial Reporting Council
- Regulatory Policy Committee

6. During my entire time as Minister from 27 October 2022 to the General Election in July 2024, the Post Office fell under my ministerial remit, and as part of this I was responsible for leading the Government's action on redress for sub-postmasters and Post Office reform.
7. This was my number one priority as Minister, no question about it. It was of key importance to the Department and it was also an issue which I cared about personally from my time as a backbencher.
8. My appointment was manna from heaven to me, because it meant I could actually help to fix something important. There wasn't a day, night or weekend that went by when I wasn't doing something on the Post Office redress schemes and transformation. I would say at least 25% of my overall time and during many periods a much higher percentage was focused on this.
9. To give an indication, during my 20 months as minister I gave 22 oral statements to Parliament on relevant Post Office issues, a far higher number than for any other policy area for which I was responsible:
 - 23rd March 2023: Post Office: Horizon Compensation (RLIT0000375)

- 10th May 2023: Post Office Executives: Bonuses (RLIT0000376)
- 23rd May 2023: Sub-postmasters and Sub-postmistresses: Remuneration (RLIT0000377)
- 13th July 2023: Post Office Ltd: Management Culture (RLIT0000378)
- 18th September 2023: Post Office Compensation (RLIT0000379)
- 25th October 2023: Rural Postal Services: Sustainability (RLIT0000380)
- 19th December 2023: Post Office (Horizon System) Compensation Bill (RLIT0000381)
- 8th January 2024: Horizon: Compensation and Convictions (RLIT0000382)
- 10th January 2024: Post Office Horizon Scandal (RLIT0000383)
- 25th January 2024: Post Office Horizon System: Exoneration of Sub-postmasters (RLIT0000384)
- 29th January 2024: Post Office Ltd (RLIT0000385)
- 8th February 2024: Post Office Management Culture (RLIT0000386)
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- 26th February 2024: Post Office Horizon: Compensation and Legislation (RLIT0000388)
- 28th February 2024: Post Office Board and Governance (RLIT0000389)
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- 17th April 2024: Draft Post Office Network Subsidy Scheme (Amendment) Order 2024 (RLIT0000392)
- 29th April 2024: Post Office (Horizon System) Offences Bill (RLIT0000393)
- 23rd May 2024: Post Office (Horizon System) Offences Bill (RLIT0000394)
- 18th July 2024: Post Office Horizon Scandal (RLIT0000395)
- 30th July 2024: Post Office Horizon (RLIT0000396)

Knowledge of relevant issues upon my appointment

10. The Inquiry has asked me about the briefings I received on relevant matters before or at the time of my appointment as Minister on 27 October 2022.

11. As I have briefly explained, before I took on responsibility for Post Office issues as a Minister I already had an active interest in the Horizon scandal as a backbencher.

I entered Parliament after a career in business, and it was always important to me to support small and medium-sized enterprises (“SMEs”). As co-Chair of the All-Party Parliamentary Group on Fair Business Banking (“APPG”), I was involved in examining the HBOS Reading, RBS GRG, IRHP and other banking scandals, and subsequently in getting justice – including proper compensation – for the victims, and this was something that was important to me.

12. It was as a result of this that the barrister Paul Marshall first got in contact with me to draw my attention to the commonalities between the Post Office scandal and these banking scandals (WITN11460101, WITN11460102).
13. Soon after this, on 19 March 2020 I spoke in a debate in the House of Commons on the Horizon scandal and called for proper compensation for subpostmasters (including the GLO claimants), and also called for an investigation into the role played by lawyers in the scandal (RLIT0000397) I raised the role of lawyers again in a further Commons debate on 10 June 2020 (RLIT0000398).
14. On 21 July 2020, Mr Marshall followed up his earlier letter by copying me into a letter to Darren Jones MP, then Chair of the Business, Energy and Industrial Strategy Select Committee (UKGI00031453). The letter set out Mr Marshall’s belief that the Post Office’s conduct in relation to subpostmasters was not error or oversight, but intentional wrongdoing, and explained the issues in some detail. I continued to speak and correspond with Mr Marshall as a backbencher and as Minister.
15. I made further contributions as a backbencher on 5 October 2020 (RLIT0000399), where I pressed the Government to confirm that it was committed to making sure fair compensation was paid; and on 24 February 2022 (RLIT0000400) I asked the Government to deliver compensation quickly, and to make interim payments, and I again questioned the role of the law firm Herbert Smith Freehills in advising POL on compensation arrangements.
16. On the day of my appointment as Minister on 27 October 2022, I asked my private office to arrange a briefing on Horizon issues, and on 2 November 2022 I was given

a 'teach in' briefing by officials on Post Office issues including the Horizon system, compensations schemes and the Inquiry. In advance of that meeting, officials provided me with an 11-page briefing document (BEIS0000993). The document provided a timeline, briefly described progress in each of the 3 compensation schemes that existed at the time (the OCRS came later), briefly headlined officials' perceptions of the "areas of pressure" for each of the scheme, and identified the key stakeholders. The briefing was useful and accurate, though very little of it came as a surprise.

17. I was also provided with a briefing dated 2 November 2022: 'Post Office Horizon: GLO Compensation' (BEIS0000994) advising that DBT should establish a scheme based on alternative dispute resolution to deliver the additional compensation which had been promised to SPMs involved in the group litigation in the High Court. I agreed with the advice (BEIS0000995).

18. Following the 'teach in' meeting, I was provided with a further (very short) briefing from officials dated 4 November 2022, addressing "Post Office Horizon: Inquiry and Compensation" (BEIS0000996). The document adds a small amount of additional detail on top of the information contained in the 2 November 'teach in' briefing document.

19. I continued to be briefed on issues throughout my time as a Minister. I had regular meetings with the lead departmental officials – David Bickerton (Director General), Carl Creswell (Director) and Rob Brightwell (Deputy Director) – and in those meetings I would often make requests for more information on particular topics and raise and discuss ideas for change.

20. It was also important to me that I should receive unfiltered information from stakeholders, and right from the start I asked my private office to arrange calls with Nick Read, Alan Bates and Lord Arbuthnot (BEIS0000997).

21. I had an introductory meeting with Alan Bates on 21 November 2022 (BEIS0001057), and met with Lord Arbuthnot, Kevan Jones and several other MPs

on 23 November 2022 (BEIS0000998), focussing on the GLO scheme which we were finalising.

22. I also had an introductory meeting with Nick Read, the POL CEO, on the same day. Our discussion included Mr Read's 3-year plan for POL, compensation for SPMs and how POL was going to make savings (BEIS0000611).

23. I had a meeting with Alan Bates and other SPMs involved in the GLO on 7 December 2022, where I told them I wanted to get compensation out as soon as possible, would be announcing a scheme to do so (the GLO scheme) that day, and reassured them that I had consulted with Lord Arbuthnot and Kevan Jones MP among others on the scheme's design (BEIS0001000).

24. The briefings I was given by officials were good and accurate. They didn't specifically cover open questions such as "How do we improve things?". That was left to me to provide challenge based on the cases I had dealt with as a backbencher and what I was hearing from cases via MPs and direct contact via email, Twitter, newspapers etc.

25. I do think my interest in these issues as a backbencher was really key in performing my role as Minister. It was this general intelligence gathering and the obvious frustration from many of the victims regarding the delays in compensation and the need for more transparency that led to the setting up of the cross-party HCAB, the introduction of Fixed Sum Awards across all 3 schemes, the appeal mechanism for the HSS and the quashing of c700 convictions. We were working on all these changes prior to the airing of the ITV series, although there is no doubt that this was very helpful in securing some of the changes.

26. It was obvious to me that I needed to hit the ground running as Minister. For example, in my first week, I was advised about the need to make sure that compensation would be disregarded when calculating benefits for subpostmasters (BEIS0001001). I agreed, and engaged in correspondence with Guy Opperman, Minister for Employment at the Department for Work and Pensions, making (BEIS0001002).

27. And right from the outset, I realised we needed to do what we could to identify problems or gaps in the compensation schemes and do what we could to fix them. For example, I asked any subpostmasters who had not received interim payments to get in touch with me directly (BEIS0001003 ; BEIS0001004) and followed many of the cases closely to ensure progress was made.

Post Office board and culture

28. I think cultural change within an organisation must always come from the top. Whilst I realise that the Post Office is a big and complex organisation, and that cultural change can take time to take root, nobody at the Post Office has managed so far to really get hold of this issue and bring change to the extent required. I am very hopeful that the new Chair, Nigel Railton, and the new CEO will help to do so.

29. No doubt there have been some improvements. For example, the appointment of 100 regional managers, the Postmaster NEDs, the attendance of the CEO at postmaster conferences, and regular meetings and dialogue with the NFSP and senior managers have conducted restorative justice sessions with victims.

30. But there are also signs that the Post Office remains too inward looking and dysfunctional. Good examples are the failures to disclose information to the Inquiry, the slow pace of disclosure for compensation cases, the reluctance to reduce central costs to allow a consequential increase of revenue to postmasters remuneration, the Henry Staunton saga, the failure to deal with long-standing issues with senior executives, such as Alisdair Cameron, the Remuneration Committee's decision and processes around the sign off of bonuses for complying with the Inquiry's disclosure requests, and the persistent and aggressive lobbying by the CEO to significantly increase his remuneration. I address some of these below.

Henry Staunton

31. On 23 January 2024, a submission was sent to me and to the Secretary of State, explaining that the Senior Independent Director and the Chair of POL's RemCo were expressing serious concerns about Henry Staunton's conduct and judgement and asking us to remove him as Chair (BEIS0000868). The specific concerns identified in the submission were:

- a. That he had repeatedly attempted to shut down a whistleblowing investigation into his conduct.
- b. That he had engaged in aggressive, intimidating and disrespectful behaviour to other board members and members of the POL executive team.
- c. That he showed continued poor understanding of the public sector aspect of POL's work and poor judgement.
- d. That he had disregarded proper governance processes as POL's Chair, most recently by announcing the appointment of a new Senior Independent Director for POL without following formal consultation with the Board, following Board processes or seeking shareholder approval as required.
- e. That he had failed to provide constructive support to POL's CEO.

32. The submission explained that the officials at UKGI and DBT shared these concerns. We were advised to terminate his appointment, something that the Secretary of State has the power to do under Article 42(a) of POL's Articles of Association. We were advised that we could either offer Mr Staunton the opportunity to resign, or not – and were recommended not to due to the seriousness of the allegations against him. I agreed with this recommendation (BEIS0000870).

33. The submission was forwarded to my private office by email (BEIS0000869). The email stated that "*The submission reflects the Permanent Secretary's view, as well as that of GLD and UKGI lawyers.*"

34. Whilst I did not have regular contact with Henry Staunton, as Nick Read was my principle point of contact at POL, my own view of Mr Staunton was that he was incapable of chairing this organisation. I first started to doubt his judgement only a few days into my ministerial role when he strongly advocated a very large

percentage increase of the CEO's remuneration. I was very aware from my meetings with senior officials at UKGI – Tom Cooper then Laura Gratton – that they did not rate him very highly and felt he was a Chair from a previous generation.

35. The Secretary of State decided to terminate Mr Staunton's appointment without offering him the opportunity to resign, and he was informed of this by the Secretary of State by telephone on 27 January 2024. This was confirmed by letter the same day (BEIS0000867).

36. I am aware of Mr Staunton's allegations, in which he claimed that a senior DBT official had told him to go slow on compensation for SPMs and also about the reasons he was given for his departure. So far as I am concerned, this was nonsense.

37. But there are some bigger points to be made. We had done a lot of work to help improve the way in which subpostmaster victims were receiving redress, and this sort of self-serving outburst from the former Chair inevitably damaged trust in that process. This also reinforced the view that Mr Staunton was not fit to lead the Post Office, putting his own interests above those of the subpostmasters.

38. Mr Staunton's evidence to the Select Committee (RLIT0000401) reinforced my concerns. For example, in answer to question 644, Mr Staunton said "I do not think that compensation for HSS and so on could be considered slow" and that the scheme was not in need of a "chairman intervention". He stated in answer to Q642 from Antony Higginbotham MP "Did you fail in getting compensation out to as chairman?" "No."

39. And of course the allegations against Mr Staunton were really serious. Regardless of where the truth lies – I am aware that many of the allegations against Mr Staunton were subsequently upheld, but I also [now] know that he and the SPM NEDs had serious concerns about other board members (BEIS0001008) – the fact that the POL Board was in open conflict is not a sign of a positive culture. And, as I indicate above, there is still much work to be done to restore trust between postmasters and POL.

Executive bonuses

40. Another concerning instance is the POL Remuneration Committee's decision to agree to an 'Inquiry Metric', where bonus payments would be paid to POL executives where "All required evidence and information supplied on time, with confirmation from Sir Wyn Williams and team that Post Office's performance supported and enabled the Inquiry to finish in line with expectations", and to agree that this metric had been satisfied. This resulted in an incorrect statement in POL's annual report and accounts.
41. Clearly this metric had not been satisfied, as the Post Office accepted when the Inquiry challenged it (BEIS0001009). The Post Office produced a report on how it was that the Inquiry Metric had wrongly been said to have been met (RLIT0000342), but I agreed with DBT officials that it left obvious and important questions unanswered. It was also very concerning from a governance perspective that such an obvious error could have been allowed to pass unchecked, and indeed found its way into the annual accounts. On 26 May 2023, Henry Staunton wrote to me apologising for the both the inappropriate metric and the decision that it had been met (BEIS0001011). On 31 May 2023 I wrote back to Mr Staunton, asking for further clarification of these issues (BEIS0001012). Mr Staunton replied on 2 June 2023 (BEIS0001013).
42. Having received that letter, in June 2023 I decided to commission the law firm Simmons and Simmons to conduct a review of RemCo governance, and the way in which the Post Office set and awarded performance bonuses (BEIS0001014). Simmons and Simmons completed their review in August 2023, and made a number of recommendations (POL00363154). On 28 August 2023, Henry Staunton wrote to me setting out the Post Office's plan for implementing the recommendations (BEIS0001016).
43. It was clear to me that this fiasco was the result of ongoing weaknesses in POL's governance, and another example of a poorly led, dysfunctional organisation. It was also disappointing to me that UKGI had not proactively spotted and highlighted

this, a point I made when making a statement to Parliament on this issue on 10 May 2023 (RLIT0000402). My impression, generally, was that the Shareholder NED, Tom Cooper, acted with the best intentions but was not always robust enough, and things improved after Lorna Gratton replaced him in May 2023.

Nick Read

44. As time went on, I formed the view that Nick Read was unable to lead the organisation as it needed to be led. A particular example of this is his inability or unwillingness to reduce central costs. I repeatedly asked for basic information about management headcount in various salary bands, and a plan to reduce the Post Office's central office senior management headcount and cost (as I think there were 200 people earning over £100,000 per year) and allow more revenue to flow to subpostmasters. It was like drawing teeth (see e.g. BEIS0001017). I was extremely frustrated by the Post Office's inability to provide this basic information (as I noted at the time: BEIS0001018). I would expect any proper company to be able to provide this sort of information in days, but it seemed that we as the shareholder were resisted at all turns.
45. Nick Read's pay as CEO was always a running theme. It was one of the first things Henry Staunton raised after he became Chair on 1 December 2022 (he suggested a very big increase) (BEIS0000919), and it was generally thought Nick Read was always on flight watch, even before this.
46. I worked constructively with Nick Read. We would meet and talk, and spoke for example about restructuring the centre of the Post Office, which I always saw as essential to drive revenue to SPMs. I thought it right to give him a decent chance to see through the reform of POL's culture. But my view was that the guy was being paid lots whilst not doing a very good job. On the other hand, subpostmasters – the bread and butter of the Post Office – were struggling to break even at best. I did not think it was right to give him a big increase. Plus the Post Office did not truly operate in a commercial environment, comparable to other large corporations – it had no direct competition, relied on Government subsidies, and was Government-owned. I see the POL CEO's role as a public service job – and one which is very

well paid when seen in that light. My view was that we should not be moved by his threats to leave, and that if he wanted to leave he should leave.

47. His departure will present an opportunity to replace him with a truly exceptional leader, and one who recognises that this is a public service role.

What is the solution?

48. The solution is good leadership. Nothing can replace that.

49. I am very confident that Nigel Railton, the interim Chair, is the right man for the job, a view I believe is shared by the SPM NEDs (BEIS0001020). It took us time to persuade him to take the job on an interim basis, and I hope he can be persuaded to remain for the long haul.

50. As I have stated above, Nick Read's departure as CEO should be treated as an opportunity to recruit an exceptional leader with a vision to reshape the organisation, able to articulate the case for change and implement it.

51. In order to build and maintain trust with subpostmasters, the Post Office has to put their interests front and centre. It must work creatively and energetically to find opportunities for new and enhanced revenue streams and to make sure that money is not retained by the centre to pay a bloated management, but allowed to flow to the subpostmasters. There are plenty of opportunities out there: renegotiating local banking services contracts, rolling out parcel hubs, and enhancing the 'front office of government' operation are a few of the more obvious possibilities.

52. Of course, there are serious questions to be asked and answered about the right structure for the Post Office in the future. When recruiting Nigel Railton, he and I were both keen for him to conduct a review of the future structure of the Post Office, and that was a condition of the agreement when he decided to join. That work is ongoing now.

53. Mutualisation is an option that appeals to me, though it would still involve a long-term subsidy from central government, and an agreement to underwrite various liabilities (such as the compensation schemes and Horizon replacement). But even mutuals need a centre – and mutualisation wouldn't mitigate the chances of this being run badly. So, whatever the corporate structure, it all starts with the right leadership, the right people and the right culture.

Redress and compensation

54. I believe that the Government and the Post Office have approached compensation with the best of intentions, but there have obviously been a number of problems, especially in relation to the pace at which subpostmasters have received compensation (or not).

55. There were, as I understand it, a number of reasons for this during my time as Minister, including:

- a. slow and flawed disclosure by the Post Office;
- b. the fact that large claims were being held up by demands for detailed information on trivial issues (such as mileage travelled);
- c. the requirement that each claim had to be supported by medical evidence of trauma and physical impacts and forensic accountancy evidence for financial loss, when these experts had limited capacity;
- d. the involvement of lawyers on all sides leading to protracted, lawyer to lawyer exchanges, rather than having things resolved by an impartial intermediary who could sense check disputes and expedite their resolution;
- e. a lack of confidence from affected subpostmasters and their representatives that offers would be quick and fair.

56. It is important to note that whilst the Post Office – and the Department – were sometimes (perhaps often) too slow, this is common in large bureaucratic organisations and I never encountered deliberate delays or obstruction from anyone in the Post Office, or anyone in government or the civil service. So far as I could see, everyone was attempting to resolve cases as well as they were able.

57. I have also always thought it important to have independent oversight of compensation from people who can hold our feet to the fire and are not afraid to criticise the Government. This is why, for example, despite nervousness amongst officials I pushed strongly for Labour MP Kevan Jones and Professor Richard Moorhead to be appointed to the Horizon Compensation Advisory Board, despite (or perhaps because of) their recent criticism of DBT (BEIS0001021). I felt this was important to have genuinely cross-party advice and independent oversight and to win the confidence of SPMs in the compensation schemes.

58. Something to mention more broadly on compensation is that the government always starts from scratch every time. There needs to be a basic framework, embedding lessons from past experiences.

59. I was therefore pleased that the recent National Audit Office report on Government Compensation Schemes (RLIT0000366) recommended establishing a centre of expertise, recognised that compensation should be delivered independently of the body responsible for the detriment, recognised the need to avoid adversarial legal process and stringent evidential requirements and noted the importance of early clarity on the tax treatment of awards.

60. However, I am surprised by some omissions from the report:

- a. lessons should be learned not only from previous Government-administered schemes, but also from those in the private sector, such as the RBS GRG and Lloyds / HBOS Reading schemes;
- b. the role of fixed sum awards;
- c. the value of appointing a respected independent person to provide oversight and guidance.

61. A good example where we needed to reinvent the wheel is fixed sum payments. One thing the APPG learned through the HBOS compensation scheme was that claims are always complex because lives are always complex, meaning it always takes longer than anyone would like. We came up with the idea of fixed sum payments, as a way of resolving claims and freeing up resources to consider the remaining claims. That was agreed and it worked really well in the HBOS scheme.

About a couple of months into the job as Minister, I brought this up in a meeting with the Secretary of State and Permanent Secretary as something that might help break the Horizon compensation logjam. Everyone immediately agreed that this was a good idea, though understandably it did receive pushback on Value For Money grounds. Eventually we were able to persuade the Treasury that this was value for money. The Secretary of State was, at all times, fully supportive of our efforts to pay full, fair and final compensation as quickly as possible and was very helpful in discussions with Treasury and others.

62. The fixed sum offers in OC and HCRS schemes and the GLO and HSS schemes have enabled many claims to be settled more quickly than would otherwise have been the case, minimising the need for evidence gathering and experts. I understand that at the time of writing, fixed sum offers have been accepted by 52 OC SPMs and 150 GLO SPMs. In the HCRS, fixed offers were announced in March 2024, and as of September 2024 have been accepted by 3 SPMs.

63. Aside from this, throughout my time as Minister I regularly met with those involved to try to find ways of speeding up the delivery of compensation across the various schemes (e.g. with many of the victims, with MPs, with officials, with the Lord Chancellor and Chief Secretary to the Treasury in January 2024 (BEIS0001022) and with the Horizon Compensation Advisory Board on many occasions (BEIS0001023).

64. I constantly asked officials to look into ways that the pace of compensation could be improved eg Feb 2024 (BEIS0001024).

65. It is also clear that the fact that there are now 4 different schemes, some run by POL and some by DBT, is not ideal. I think this is in large part a hindsight point, and having started in the way we did it was right to carry on.

66. Generally what I would see when I got into the weeds was that compensation was being assessed reasonably, but I completely understand why subpostmasters would not trust the Post Office to run a scheme. So whilst I don't think POL's ownership of the schemes made much difference in substance, a lesson to be

learned (and one of the recommendations of the NAO report) is that confidence that a scheme is genuinely fair and independent is an important consideration.

67. I mention in passing that ownership of the overturned convictions scheme was one of the things that crossed my desk as Minister, and that I favoured the idea it should be administered by the Department (BEIS0000995). And when the HCRS came into being, I decided that it should be administered by the Department (BEIS0001025).

68. The process is too legally adversarial which inevitably leads to delay as the two sides clock up correspondence hours. This has led to too much focus on the need for subpostmasters seeking compensation to prove small matters of detail, which amount to rounding errors in the overall context of the compensation they are due. Not only are the amounts at stake generally small, but the very fact that applicants are asked to prove can be offensive. I was keen to bring in an individual to oversee all four schemes who could 'knock heads together' and to 'take a view' on cases to ensure that they didn't drag on unnecessarily. Sir Gary Hickenbottom, scheme reviewer for the Overturned Convictions Scheme, was the person we identified to perform this role. I hope he is given the appropriate powers and remit to do so.

Conclusions

69. The Post Office has a bright future if we improve and accelerate the operation of the compensation schemes, the right business model that remunerates postmasters fairly so that they can run profitable businesses and it has the right senior leadership team in place.

Statement of truth

I believe the content of this statement to be true.

Signed: _____

GRO

Dated: 7th October 2024**Index to First Witness Statement of Kevin Hollinrake**

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30.	RLIT0000400	Post Office: Horizon Compensation Arrangements Volume 709: debated on Thursday 24 February 2022	RLIT0000400
31.	BEIS0000993	Post Office Teach In - November 2022	BEIS0000993
32.	BEIS0000994	GLO Compensation - outline of preferred scheme - Brightwell to Hollinrake	BEIS0000994
33.	BEIS0000995	Email from Minister Hollinrake to Secretary of State and SpAds Office RE: Post Office Horizon - GLO compensation	BEIS0000995
34.	BEIS0000996	20221103_Horizon Inquiry and Compensation Briefing	BEIS0000996
35.	BEIS0000997	Email from Carl Crewswell to Minister Hollinrake re Post Office: slides for Minister Hollinrake teach-in	BEIS0000997
36.	BEIS0001057	Meeting Brief to Minister Russell for Introductory meeting with Alan Bates	BEIS0001057
37.	BEIS0000998	Email from Minister Hollinrake to Brightwell, Rob (Business Sectors - Services Directorate), Lovesey, James (Business Sectors - Services Directorate), Brooks-White (Jobshare), Mitchell, Katie (BEIS) re Readout - Minister Hollinrake Post Office Compensation Parliamentarian stakeholder group 23.11.2022	BEIS0000998
38.	BEIS0000611	Email from Minister Hollinrake to Brooks-White (Jobshare), Post Office	VIS00014226

		Team, Creswell, Carl (Business Sectors - Services Directorate), Bickerton, David (Business Sectors DG Office), Permanent Secretaries re Readout: Minister Hollinrake meeting with Nick Read 21/11/2022	
39.	BEIS0001000	221207 SoS meeting with Alan Bates and GLO members	BEIS0001000
40.	BEIS0001001	20221104 - Submission on Post Office Horizon Scandal - Applying a Benefits Disregard For all Post Office Compensation Schemes - Final	BEIS0001001
41.	BEIS0001002	20221104 - Letter to Minister for Employment - Benefits Disregard - Final	BEIS0001002
42.	BEIS0001003	Email from Minister Hollinrake to Michael, Elena (Business Sectors - Services Directorate), Lovesey, James (Business Sectors - Services Directorate), Brightwell, Rob (Business Sectors - Services Directorate re GLO interim payments	BEIS0001003
43.	BEIS0001004	Email from Lee Castleton to Minister Hollinrake re Stalled cases	BEIS0001004
44.	BEIS0000868	POL chair sub final 23012024	BEIS0000868
45.	BEIS0000870	Box note - 22.01.24	BEIS0000870
46.	BEIS0000869	Email from Lorna Gratton to Minister Hollinrake and Kemi Badenoch re: Post Office Chair - urgent advice	BEIS0000869
47.	BEIS0000867	Letter to Henry Staunton - 27 January 2024	BEIS0000867
48.	RLIT0000401	Business and Trade Committee Oral evidence: Post Office and Horizon Compensation: follow-up, HC 477 Tuesday 27 February 2024	RLIT0000401
49.	BEIS0001008	Email from Brooks-White Jobshare to Jon TUNNEY (DBT), Harriet CLARKE (DBT), Minister HOLLINRAKE (DBT), Secretary Of State BUSINESS AND TRADE (DBT) dated 23 February 2024 RE: Project Pineapple	BEIS0001008

50.	BEIS0001009	230505 - Nick Read Letter to Sir Wyn Williams	BEIS0001009
51.	RLIT0000342	TIS Review Final 2623	RLIT0000342
52.	BEIS0001011	230526 - Henry Staunton to Kevin Hollinrake re Amanda Burton final draft report into ARA 2021-22	BEIS0001011
53.	BEIS0001012	Minister Hollinrake letter to POL Chair 31.05.23	BEIS0001012
54.	BEIS0001013	230602 - Henry Staunton reply to Kevin Hollinrake re ARA FINAL	BEIS0001013
55.	BEIS0001014	Email from Brooks-White to Minister Hollinrake re ToR for the POL Bonus Review	BEIS0001014
56.	POL00363154	POL Report - FINAL - Private & Confidential[106140894v1]	POL-BSFF- 0191157
57.	BEIS0001016	280923 - Chairman to KH - SS Recs and TIS	BEIS0001016
58.	RLIT0000402	May 2023: Post Office Executives: Bonuses	RLIT0000402
59.	BEIS0001017	Email from Minister Hollinrake to Secretary Of State INTERNATIONAL TRADE (DBT), Perm SEC (DBT), Sonia ZVEDENIUK (DBT), Daniel EL-GAMRY (DBT), Spad SOS (DBT) re: OS PERSONAL [FOR DECISION] FY22/23 and FY 23/24 Annual Bonus Schemes for POL CEO/CFO	BEIS0001017
60.	BEIS0001018	Email from Rebecca STOCKBRIDGE (DBT) to Carl CRESWELL (DBT), Minister HOLLINRAKE (DBT), Enifome EKREGBESI (DBT) RE: Briefing Note: Minister Hollinrake Monthly meeting with Nick Read (rescheduled 28th Mar)	BEIS0001018
61.	BEIS0000919	Email from Kevin Hollinrake to Secretary Of State (Grant Shapps), Permanent Secretaries re FW: OFF SEN PERSONAL: FOR APPROVAL: POL CEO pay sub follow up advice	BEIS0000919
62.	BEIS0001020	Email from Minister Hollinrake dated 28 March 2024 re Postmaster NEDs	BEIS0001020
63.	BEIS0001021	Email from Minister Hollinrake to Secretary of State (Grant Shapps) RE: Post Office Horizon - GLO compensation	BEIS0001021
64.	RLIT0000366	National Audit Office report on Government Compensation Schemes	RLIT0000366
65.	BEIS0001022	Minister Hollinrake weekly note 15012024	BEIS0001022
66.	BEIS0001023	Email from Minister Hollinrake to Rob Brightwell re: Speeding up Horizon compensation	BEIS0001023
67.	BEIS0001024	20240130 Advisory Board paper on speeding compensation version 2	BEIS0001024

68.	BEIS0001025	Letter to CST - Horizon Compensation	BEIS0001025
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