

LIE 10

LIE 16

HIM 12

CONFIDENTIAL

Mrs Firth FA

From: Strachan Heppell HSSG
Date: 18 December 1990

cc: Ms Masters Dir Fin
Ms Stuart FB
Mr Dobson EHF1
(with copy of minute)

HAEMOPHILIA LITIGATION

Thank you for your minute of 14 December.

2. For FA records, you may like to have the timetable of events:-

Thursday 6 December	Secretary of State and Chief Secretary met and agreed Government should accept "offer" from plaintiffs' Steering Committee of lawyers.
Friday 7 December	Agreed submission from Secretary of State to Prime Minister went into weekend box.
Monday 10 December	Prime Minister agreed proposals in the submission. Secretary of State decided that rather than risk leaks from the plaintiffs, Prime Minister should be invited to announce outcome during Questions the following day, shortly after Government's decision passed on the Steering Committee.
Tuesday 11 December	Announcement by Prime Minister. Written statement by Secretary of State.

2. On the agreement with the Treasury:-

* the submission to the Prime Minister included the following paragraph:-

"The Chief Secretary and I have agreed that the Department of Health must find the amounts required for settlement of the negligence cases, perhaps some £3-5m, from within existing provision. The remaining £44-46m would be a charge on the Reserve, probably spread between this year and next."

The figures refer to Annex A, a copy of which is attached.

- * you will see that the Department has to meet the cost of the negligence cases. The rest of the costs, including unidentified cases fall to the Reserve. The assumption has been that the negligence cases should be treated like any other negligence cases. I expect the negotiations to be realistic, but it would of course be unfortunate if these cases made the whole agreement, as you put it, very insecure. Discussions on the handling of these cases are progressing through Counsel. Mr Dobson can readily let Mr Kendall have copies of the papers.
- * it suits the Treasury for as much as possible of the claim on the Reserve to apply to 1991/92, rather than 1990/91. The time taken to complete the settlement to set up a new Trust and to make payment arrangements may well mean that most payments will in any event fall in 1991/92. Secretary of State undertook to be as accommodating as he could on this point.

GRO-C

STRACHAN HEPPELL

ESTIMATED COSTS TO EXCHEQUERPlaintiffs' proposal

	£m
Basic amount	42
Unidentified cases	0-2
Medical negligence cases	3-5
Costs	2
	<hr/>
	47-51
	<hr/>

Continuing with action

	'Best' case	'Worst' case	
Legal costs of all parties (including legal aid)	12-20	20	
Medical negligence cases	3-5	-	
Further grant to Macfarlane Trust	10-15	-	
Damages	-	150	(100-300)
	<hr/>	<hr/>	
	25-40	170	(120-320)
	<hr/>	<hr/>	