

PERSONAL AND CONFIDENTIAL



1. Mr. [Signature] **GRO-C** 24/10
2. Mr. [Signature] (8/1)

FROM:STEPHEN BOWDEN
DATE:23 October 1990
EXTN: **GRO-C**

MR A J C EDWARDS

cc:Principal Private Secretary
Sir Peter Middleton
Mr Monck
Mr Saunders

GRO-C

HAEMOPHILIACS AND HIV

The Chief Secretary spoke to the Secretary of State for Health over the telephone yesterday afternoon.

2. They agreed that there were no grounds for offering an out-of-court settlement. Department of Health lawyers had indicated that a settlement might be achievable at around £50 million, but once negotiations started it would be difficult to stick at this or any other figure.

3. Mr Clarke suggested, however, that if the other side made an offer of £20 or £25 million, and DOH lawyers considered that it included a watertight guarantee that the writs would be dropped, this would represent a good settlement. The Chief Secretary expressed the view that a settlement at that level would be highly unlikely, and would certainly have to be entirely at the initiative of the other side. He felt that it would be far more satisfactory to win the case in court, and then make a moderately generous offer on an ex gratia basis.

4. Mr Clarke agreed with the Chief Secretary that the Government lawyers should be instructed not to make an offer themselves, under any circumstances.

8a/10

5. Mr Clarke then commented that some of the cases against health authorities were very strong, and were in fact straightforward medical negligence cases. The Chief Secretary agreed with Mr Clarke that it would be important to present these as negligence cases, indistinguishable from any others.

6. The Chief Secretary and Mr Clarke agreed that they would not seek to raise the issue at Cabinet.

7. Mr Clarke did not raise the PES issue.

GRO-C

STEPHEN BOWDEN
Assistant Private Secretary