

1205

POLICY IN CONFIDENCE

PPS/Sofs

From: Roger Scofield HC(A)4

Date: 12 February 1992

cc: Mr Sands PS/MS(H)
Mr Armstrong PS/PS(H)
Miss Burnett PS/PS(L)
Mrs Campey Sp Ad
Mr Marsh Sp Ad
Ms Wright PS/PS
Mrs White PS/CE
Mr Heppell HSSG
Mr Wilson HC(A)
Mrs Firth FCI-A
Mr Kendall FCIA2
Mr Thompson AIDS Unit
Dr Rejman MED-ISP
Mr Canavan HC(A)4B
Mr Siswick FHS2C

BLOOD TRANSFUSION PATIENTS WITH HIV

1. It is understood that the Prime Minister will make a statement in the House during Question Time tomorrow, Thursday, stating that financial assistance will be offered to blood transfusion victims infected with HIV. A draft announcement and briefing for Number 10 together with a draft Press statement is attached. Q and A briefing for Ministers/Press Office will be provided shortly.

2. Meanwhile S of S will wish to consider responding to Chief Secretary's letter of 7 February in which he withdrew his objection provided :

- i) He is given firm assurances that S of S and the Department will be prepared to draw the line at this group and resist pressure from other groups,
- ii) DH finds the entire funding for compensation, although he is prepared to be flexible in carrying over money between this year and next.

ASSURANCES ON RING FENCING

3. So far as assurances for the future are concerned, we can only repeat the line we have taken hitherto that the distinction between recipients of Factor 8 for haemophiliacs and whole blood through transfusion is proving a difficult position to defend and there is little public understanding or sympathy for the Department's position. It would be possible to aim to confine the class to those who have been infected by HIV through NHS treatment and who are, as a result, likely to develop a fatal illness. Nevertheless, Secretary of State will recognise that the "only for AIDS" line may

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well prove as difficult to hold in the longer term as the "only for haemophiliacs" line has proved to be, eg if faced with a strong public campaign on behalf of a comparable case. Ministers will need to make clear that they are responding, as for the haemophiliacs, to very special circumstances but that their general policy towards 'no fault compensation' or claims from other groups remains firm.

FINDING THE MONEY

4. The Chief Secretary's letter repeats his earlier refusal to offer any contribution from the Reserve to the £12 M cost. Secretary of State knows that the resources could be found if he feels the priority of making an offer to the blood transfusion victims infected with HIV is sufficiently high: Mr Kendall's submission of 17 January made clear however that this would reduce the resources available for other high priority issues which may arise after the 1992-93 year has started and could require a review of existing allocated budgets. There is also the fact that finding the whole sum from existing programmes now, after the firm line which S of S has taken previously to say that a contribution will be needed from the Reserve, would reduce the credibility of any later proposals for funding from the Reserve.

5. Beyond this, it is important to remember that the group of blood transfusion victims is not limited in the same way that the haemophiliacs were, and the open-ended commitment to meet the cost of payments runs the risk of a final cost significantly higher than the £12 M figure based on the numbers at present known.

6. Secretary of State may thus prefer to respond to the Chief Secretary to press again for a contribution from the Reserve. A draft reply is attached along these lines.

7. Secretary of State may however prefer to yield on the issue of funding, and this could be hung on the Chief Secretary's offer to carry over money between this year and the next. An alternative paragraph is offered.

DISREGARD FOR SOCIAL SECURITY PAYMENTS

8. We also need the agreement of DSS to extend the regulations whereby awards for compensation are disregarded when assessing entitlement to social security and other statutory benefits. New regulations will need to be laid which are subject to negative resolution. For the time being DSS officials are content to clear this themselves with Tony Newton but if this runs into difficulties S of S may need to intervene.

SUMMARY

9. A draft announcement and briefing for Number 10, together with draft Press statement is attached. Q and A brief for Ministers/Press Office will follow shortly.

10. S of S may wish to respond to Chief Secretary's letter along the lines of the draft attached.

GRO-C

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