

SofS

From Rowena Jecock

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**Government's response to Lord Archer's recommendations for further financial relief**

1. In the report of his independent inquiry into HIV/hepatitis C infection acquired during the 1970s and 80s following treatment with contaminated blood/blood products, Lord Archer made a number of recommendations about financial relief for those affected, including making significant increases in the levels of those payments. This is based on the much higher level of payments made in Ireland, where the Blood Transfusion Service was found to have been at fault (not the case here).
2. Another recommendation was that Government should change the eligibility criteria of the Skipton Fund, which makes payments to those infected by hepatitis C, to allow payments to surviving spouses of those who died before the scheme was announced in August 2003. This would bring it into line with the existing HIV arrangements.

**Government response to these recommendations**

3. MS(PH) carefully considered the additional cost of increasing the financial relief, and amending eligibility criteria. Her recommendation, agreed by your predecessor, was to increase payments for those affected by HIV, but to make no change to financial relief for hepatitis C at this stage, essentially because of affordability.
4. **HIV**  
HIV-infected individuals receive annual payments through the Macfarlane and Eileen Trusts, based on individual circumstances. Ministers have decided to make a flat-rate annual payment of £12,800 tax free in future. Payments to dependents will also increase, but amounts will remain at the Trustees' discretion. Details are being discussed with the Trustees.  
**This will cost in the region of an additional £3.8m/year.**

5. **Hepatitis C**

The Skipton Fund makes lump-sum payments only.

Many more people have been affected by hepatitis C, and the options are much more costly as there are about 4000 Skipton Fund beneficiaries.

To double the lump-sum payments to only those most seriously affected by hepatitis C (ie the Stage 2 payments) would cost an **additional £19.3m as a one-off cost, plus £2.5m recurrent costs for new claimants.**

Although it is not possible to reliably estimate the number of people infected with hepatitis C through blood/blood products who died before August 2003, we attempted to estimate the indicative costs of bringing their estates into the Skipton Fund: **£54m one-off cost.** (This would have to increase to **£84m one off cost** if we were to increase the Stage 2 payments at the same time)

6. Ministers have committed to review the Skipton Fund in 2014, 10 years after its establishment. (The MacFarlane and Eileen Trusts by contrast were set up in late 1980s and early 1990s so it seemed more appropriate to review those now.)

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