

To: No.10

from: Brian Bradley  
(VCJD team)

and cleared by this  
office.

## Accusation

John Reid accused CJD victims' families of money-grabbing "for all possible claims". He likened relatives to victims of Gulf War syndrome (Mail on Sunday)

## Facts

- This comment came from a note, written by Sir Robert, of a meeting between Sir Robert Owen, chair of the vCJD Trust, and John Reid on 25 October 2004 (see below for full quote). It was part of a bundle of papers provided to the *Mail on Sunday* in response to an FoI request for documents and correspondence relating to the costs and administration of the scheme and the financial status of the Trust. The original note had been given to the Department of Health by Sir Robert Owen; his lawyers were consulted and agreed to its release under FoI.
- The Government announced the intention to set up a vCJD Compensation Scheme in response to the Report of the BSE Inquiry (October 2000) and the vCJD Trust was set up to administer the scheme in February 2002.
- It is a 'no-fault compensation scheme' – victims and their families can still pursue a claim through the Courts if they wish – and is administered by an independent Board of Trustees, of which Sir Robert Owen is the chair. The terms of the scheme were agreed with representatives of the families following a period of consultation and are broadly similar to common law damages.
- The Trust fund provides for payments to be made in respect of 250 cases, up to a maximum of £55 million; if cases exceed 250, the scheme will be reviewed and an updated scheme may then be put in place. On top of the £55 million fund, payments of an additional £50,000 to each victim or their family in the first 250 cases can be made, bringing the total amount at the Trust's disposal to £67.5million, which includes costs of administering the scheme (including Trustees fees and expenses). Within this, a discretionary fund of £8m allows the scope for Trustees to meet exceptional cases of hardship.
- The total amount paid in compensation to date is £31.2 million, with the total paid in fees and expenses £7.3 million (22%). However a considerable number of cases, or aspects of cases such as "particular emotional hardship", have yet to be dealt with.

### **Lines to take**

- The vCJD Trust was set up in 2002 to provide compensation to victims and their families. The Government has provided the Trust with £67.5 million, of which £31.2m has already been distributed.
- It is important that the Trust, working with the Department of Health, administers this scheme with the least delay to families and seeks to keep the costs down. It is right that the Secretary of State for Health oversees this, as I believe my RHF was doing.
- At no point was my RHF intending to criticise any of the families of the victims' of this terrible disease, for whose benefit the Government created this Trust

### **Elephant Traps**

#### **The vCJD Trust has been extremely slow in making payments to families of victims**

The majority of the payments considered to date have been paid. The total amount paid in compensation to date is £31.2 million. However a considerable number of cases, or aspects of cases such as "particular emotional hardship", have yet to be dealt with. These have taken longer because they are more difficult to assess fully.

#### **The vCJD Trust scheme has been very expensive in lawyers fees**

The total paid in fees and expenses up to April 2005 is £7.3 million (including legal fees, Trustees' fees and disbursements such as psychiatrists' and GPs' fees). Within this total, approximately 40% of the legal fees represents the claims for costs of various firms of solicitors representing victims and their families, which also have to be met from Trust funds. Ministers and officials in the Department of Health are working routinely with the vCJD Trust and its solicitors to minimise the costs of the scheme.

#### **John Reid's comments are unacceptable**

This document was released under the Freedom of Information Act and is not an official record of the meeting between Dr Reid and Sir Robert Owen; rather it is Sir Robert's personal note, which he provided to the Department of Health after the discussion. However, it is clear from the document that my RHF, as then Health Secretary, was discharging his responsibility to ensure that the vCJD Trust was working effectively and to assure himself that its handling of claims were fair.

As with all such compensation schemes, there will sometimes be complications in the distribution of funds and concerns from claimants if they feel that they are not being dealt with quickly enough or if the costs of administering the scheme appear to be high. I do not believe my RHF intended to criticise the families who are deserving of entitlements at all and it is unfortunate that the document in question, and the way in which it has been reported, gives this impression.

### The Quote

The actual wording from the note of the meeting on 25 October between John Reid and Sir Robert Owen was made by Sir Robert and is as follows:

**JR** "I am not perhaps known for my diplomacy and had intended to bollock [sic] lawyers for delay and fees in the nicest possible way. However you have pre-empted me very well and I fully understand the problems which you have explained. I recognise this from my experience in Northern Ireland. If you set up a scheme like this, all those entitled will go for all possible claims. It is Gulf War victims all over again"

**RO** "It is surprising how much misinformation we get. Costs are disproportionate because of the difficulty of the Scheme. We are trying desperately to limit the costs but we are dealing with damaged families and considerable difficulties given the nature of claims and their complication".

**JR** "I had not perhaps read the documentation sufficiently carefully and had not understood properly that this was the position..."