

Witness Name: David Cameron

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INFECTED BLOOD INQUIRY

EXHIBIT WITN3903012

PRIME MINISTER

From: Nick Seddon and
Clare MacDonald

Date: 24 November 2014

Cc: Jeremy Heywood Chris Martin
Ed Llewellyn Ed Whiting
Catherine Fall Jo Johnson
Ameetpal Gill Craig Oliver
Oliver Letwin Matt Wells
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Adam Atashzai Jean Christophe-Gray
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*Happy with you
stems. (But no
and in sight...)*

GRO-C

CONTAMINATED BLOOD: ANNOUNCEMENT PACKAGE AND TIMELINE

The big question, with the Penrose review in Scotland being delayed and delayed, and very little attention focusing on contaminated blood, is what the political upside would be of drawing attention to it now. There are some policy calls to make too.


In June, following your constituency meeting with GRO-A, you agreed that we should work with DH to develop a package with £25m of DH money. This could be announced in response to the Penrose Enquiry in Scotland into people who contracted HIV or Hepatitis C through infected NHS blood products in the 1970's and 80's. You agreed the package should include:

1. Expression of regret for the victims.
2. Transparency through publishing DH's remaining unpublished records.
3. A review of the whole system of financial support.
4. A one off final lump sum using the £25m to offer to those receiving regular payments to exit the scheme.

DH has worked on a set of options to address these points. But what we are now proposing is to hold this package until Penrose reports, since it has been delayed again until January or February. In addition, instead of specifying use of the £25m for lump sum payments for individuals, we are now suggesting it might be better used as a transitional fund to smooth the move to a new system.

1. Expression of regret

You've previously said you would like to issue an expression of regret to the victims personally. Given the timescales, and political priorities (let's face it, it's hardly

LTEP) you won't find time to lead this over the next 5 months. As a result, we're working on Jeremy Hunt making this statement. **Is that right?** 

2. Transparency


The publication of the relevant DH documents will be ready to go from January 2015.

3. Review of the whole system of financial support

You previously agreed that any review of the system of financial support should be focused on streamlining the different charities that distribute the funds, and on the fair distribution of the money, rather than changing the overall quantum available. Inevitably the devil is in the detail, and the inconsistencies between the different funds means creating winners and losers if they are merged. The review needs to be handled carefully so as not to raise widespread fears about who might lose out.

DH have drafted a consultation on the different schemes, which would act as the review of the system. We were surprised to find that it sets out quite explicitly who the winners and losers might be in a reformed system. Winners could be those like **GRO-A** **GRO-A** who do not receive annual payments, but this would be at the expense of removing support for uninfected family members (e.g. widows or children).

We intend to work with DH to tone down the consultation to ensure it sets out a range of possibilities for fair redistribution, while not signalling an intention to remove benefits from specific groups. This will not entirely negate the risk that the consultation will raise concerns about the effects of redistribution, but announcing the £25m transitional fund alongside it should mitigate concerns.

Are you content this toned down consultation should be part of the package? 

Spending the £25m

DH have worked through an exhausting list of policy options to distribute the £25m, including offering lump sum payments to people who will exit the scheme. However, the quantum of money is inadequate to the objective – so much so that those who benefit would not benefit enough to be happy and those who don't will be angry!

The problem is that if the £25m was split between those eligible, we could only afford offer lump sum payments at around half the level Alistair Burt advises would be acceptable to campaigners, and then only to a small proportion of those eligible. Trying to use the money to help people like **GRO-A** who don't receive annual payments finds a similar problem – there are 2,500 such people, so only

£10,000 each. The average settlement per person in Ireland was €850k. For many, therefore, nothing we offer within this £25m budget will be remotely satisfying. Lump sum payments to exit the scheme would also be complicated by the plan to review the schemes – if we can't be clear what the new scheme would look like, we risk a judicial review if people choose to exit a scheme we then reform.

The only solution we can offer you right now is to *not* specify at this stage who the money would be spent on, but link it to the review of the schemes and move to a new system. The £25m can be announced as a transitional fund that more than doubles the pot of money available in 15/16 to allow the introduction of a reformed system and mitigate concerns about any losers from the new scheme. This might just pull off the trick of looking generous by announcing more money without incurring a backlash from any individuals who are disappointed when you spell out the detail.

Do you agree that the £25m should be announced as a fund to implement a new system, without payments to specific groups attached at this stage?

Timing

If you agree with this package of measures, our proposal is that DH works it up *fast* and tests it confidentially with trustworthy stakeholders like Alistair Burt, so it is ready to go the moment that Penrose reports. Currently indications are that Penrose will report in January or February, but it may not report this side of the election.

Following our meeting on 13th June, campaigners have recorded your commitment to "sort things out" within 6 months, and have a running countdown on their website. But the decibel count is hardly high on the national register. There is little advantage to raising this issue pre-emptively in advance of Penrose reporting. Any announcement has the potential to look inconsistent or incoherent with the recommendations that report may make. It raises an issue that is currently not generating negative coverage, and creates media moments (taking up grid slots) before the Election.

If in the New Year it becomes clear that Penrose will not report before the end of March, we will come back to seek a further view from you on whether you want to do something prior to the Election or let it go completely.

Are you happy to wait until Penrose reports to announce this package?

NICK AND CLARE