

**Department of Health**

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Your reference

Our reference LIE 16

Date 9 January 1991

**POLICY IN CONFIDENCE***Dear Jack***HIV LITIGATION**

Following our telephone conversation, I enclose the latest draft of the proposed terms of settlement. It includes some suggestions by the plaintiffs' Counsel as our Counsel has been showing him the drafts informally.

This is not the final version of the settlement, but while the social security provision needs some attention, we think the document is now very close to reflecting our policy aims. You might, therefore, wish to use it as a basis to begin discussions with the representatives of your HIV infected haemophiliacs.

As for the timetable for completion, we hope to know later this month the general reaction to the proposed settlement among the litigants in England. If the signs are good only then would individuals be asked formally to accept the offer and give up the litigation. That process is likely to take a month or so and even then we may wish to give those who decline a little time for second thoughts before finally withdrawing the offer. Therefore we are unlikely to be setting any deadline in England before the middle of February at the earliest and a date towards the end of March is perhaps more likely. Of course we have not set out these thoughts to the other side beyond saying that we would like to take stock of the situation later this month.

We shall also be trying to gauge reaction to the proposed settlement among non-litigant haemophiliacs. The Macfarlane Trust has agreed to include details in a newsletter and non-litigants would be asked to indicate whether they would be interested in such a deal. We hope to do this very shortly. The second stage would be for individuals formally to agree not to pursue litigation in future in return for the money. As you know the Macfarlane Trust operates on a UK basis so perhaps you would let me know if you would have any objections to the haemophiliacs in your territory being sounded out in this way.

Mr Jack Scott

9 January 1991

Discussions with the Macfarlane Trust have begun with a view to setting up an offshoot to handle the settlement payments. I will copy you in on the next draft of the new trust deed so that you can see how we are proposing to handle matters.

Please feel free to comment on the draft settlement or on other related matters, if you wish to do so. I will of course be very happy to give you any further explanations of the document that you would find helpful.

Yours sincerely

GRO-C

J CANAVAN