

DRAFT

POLICY - IN CONFIDENCE

Mr Phillips PS/SoS

From: C P Kendall FCI-A2

Date: 17 January 1992

Copy: Mr Sands PS/MS(H)
 Mr Armstrong PS/PS(H)
 Miss Burnett PS/PS(L)
 Mrs White PS/CE
 Mr Heppell PG
 Mr Greenshields ME
 Mr Wilson HC
 Mrs Firth FCI-A
 Ms Stuart F
 Mr Scofield HC
 Mr Brownlee FI
 Mr Harris FCI-A3

Mr Scofield

Mr M Harris

Mr Brownlee.

Comments before 1 pm please.

Peter Kendall

12/1

BLOOD TRANSFUSION RECIPIENTS WITH HIV

1. Mr Sands telephoned yesterday to request a paper for the weekend box on the options for paying ex gratia compensation to blood and tissue recipients who have contracted HIV.

2. There are two linked sets of issues: (1) finding the money and (2) potential difficulties of implementation. These are linked in particular because the issues on implementation, outlined in the Annex, mean that the sums of money which will be needed cannot be known with any accuracy in advance.

3. On finding the money, the equivalent sums for the settlement with the haemophiliacs have all been paid from CFS Votes. This reflects both the fact that the decision to pay compensation was made by Ministers without consulting the NHS, and avoids the message that might otherwise be deduced that health authority services have been cut to allow the payments to be made.

4. The Chief Secretary's letter of 6 January seems to rule out the possibility of finding the full sum this year: in any event, the need to establish entitlement would mean that it is most unlikely that the majority of the payments could be made by the end of March. For the haemophiliacs, where entitlement was not so great a problem, it nevertheless took around five months to settle matters so the Trust could be formed.

5. There is no doubt that a sum of around £12 million (the present best guess of what will be needed) could be found from Departmental Votes in 1992-93 if Secretary of State sees this demand as an overriding priority. But to do so would not be easy: Ministers have only recently made their allocation decisions for both CFS and the top-sliced budgets in the HCHS Vote. The resources have all been earmarked to specific uses and budget holders (and in some cases outside bodies) have been notified of the budgets for next year. It is not at all an attractive option now for those priority decisions to be reopened to accommodate this extra demand.

6. If Secretary of State wishes to find the money in 1992-93, we could:

a. offer him a further review of priorities on spending, with a view to identifying areas which could be deferred beyond 1992-93. As explained, this will not be easy.

b. aim to cover the £12 million (or whatever the sum may turn out to be) through shortfalls arising through the year. It is likely that the sums involved could be found during the course of the year (although this cannot be certain), but doing so will mean that there is little or no scope to meet other high priority new demands which may arise during the year. To adopt such a stance, even before the year has started, leaves a risk of more difficult and tougher decisions being necessary during the year.

7. A further option is of course to leave matters to be settled by a bid in PES 1992, leading to a possible announcement in the autumn.

8. The difficulties of implementation explained in the note annexed mean that there are liable to be dissatisfied claimants, and no certainty on the sum that will be required to meet validated claims. The risk arising from this is not only that there will be a recurrent stream of complaints from the refused claimants, but also a continuing pressure on budgets to meet claims.

9. Finally, the Chief Secretary's letter mentions the difficulties of ring-fencing any concession to a further group beyond the haemophiliacs. Secretary of State is aware of the risk of considerable pressure from other groups who will see themselves as having as good a claim as the blood transfusion/HIV cases.

10. If Secretary of State would want to open a review as at paragraph 6a above, or to discuss generally, please let me know.

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