

Witness Name: Dr Simon Chapman

Statement No.: WITN4494001

Exhibits: N/A

Dated: 4 February 2021

INFECTED BLOOD INQUIRY

WRITTEN STATEMENT OF DR SIMON CHAPMAN

I provide this statement in response to a request dated 1 July 2020 and further questions in a letter dated 27 January 2021, both under Rule 9 of the Inquiry Rules 2006.

I, Dr Simon Chapman, will say as follows: -

Section 1: Introduction

1. My full name is Simon Charles Chapman. I live at GRO-C Cambridgeshire. I was born on GRO-C 1953. My relevant qualifications are a medical degree and that of Chartered Director. I had practised for 15 years in hospitals, general practice and clinical research before becoming a businessman. I think I was appointed because of my experience in business and as a trustee elsewhere rather than because I was a doctor.
2. I served as a trustee from March 2006 until July 2010. I was a member of the Employment Affairs Committee (where I was chairman for a while), the National Support Services Committee and the Long Term Working Group.
3. I don't have a detailed memory of my role and responsibilities in the above positions except that they were the same as the other members or chairmen such as reading documents and contributing to the committee's decisions.

4. I was formally invited to serve as a trustee on 27 March 2006 after attending a board meeting on 16 February. I was a candidate provided by Mr John West, a recruitment agent at Kingston Smith Recruitment. I have no record of the process but recall that the chairman wanted someone with a business background to balance the other trustees' skills. As well as earning my living as an independent director, I had recently passed the Institute of Directors' Diploma in Company Direction and I became a chartered director on 27 March 2006. I was unaware of any difference between my position and that of the other trustees.
5. I do not recall the term 'Medical Trustee' and was not subject to any special requirements. I did not perform any special roles that 'non-medical' trustees were unable to perform, although I found my knowledge useful in understanding the diseases affecting our beneficiaries.
6. I understood that the Trust provided financial and social support to people who were infected with HIV or other viruses from NHS blood transfusions. I attended Alliance House in February 2006 for an induction, led by the CEO and I expect that this would have covered the Trust's functions, aims and objectives. I recall a file of relevant information which all trustees had and for which updates were provided by the staff, but I don't have it now.
7. I have not provided evidence to, or been involved in, any other inquiries, investigations or criminal or civil litigation in relation to human immunodeficiency virus ("HIV") and/or hepatitis B virus ("HBV") and/or hepatitis C virus ("HCV") and/or variant Creutzfeldt-Jakob disease ("vCJD") in blood or blood products.
8. The Trust was independent from government/the Department of Health (DOH) in its daily operations but was funded entirely by an annual grant from the DOH. This grant seemed to be subject to negotiation and I don't know if any conditions were attached to these grants in those negotiations. If so, I was unaware of them. Although I was unaware of any oversight or involvement by the DOH or any other government department in relation to the activities and workings of the Trust, I recall that the CEO met with officials from the DOH from time to time. I was not briefed about these meetings and do not know what was discussed.

9. The funding provided to the Trust by the government covered the disbursements we made to the beneficiaries and was adequate in that sense. This is shown by the substantial reserves we carried on our balance sheet; far more than needed to satisfy good charitable governance.
10. I joined the board after it had submitted a business case for funding to the DOH which had been rejected. As a new trustee, I did not have much to contribute to our response, but funding became a persistent theme in board discussions. I believe that the CEO and Chairman had meetings with the DOH to raise these concerns.

Section 2: National Support Services Committee (NSSC)

11. The NSSC reported to the board. Its members were drawn from the trustees and its meetings were also attended by Trust staff members but not, as I recall, by beneficiaries other than one trustee member who was also a beneficiary. Its purpose was to distribute cash to beneficiaries; I don't recall the parameters within which it exercised its authority.
12. Most, if not all, applications for financial assistance were initiated by a beneficiary, often helped by a member of the Trust's staff. I think there was a level of expenditure up to which one of the Trust's managers could authorise a cheque. These decisions were reviewed at the next meeting of the committee. Any other requests were considered by the committee and usually a decision would be taken in that meeting whether or not to grant them. Some requests needed more research by the staff before a decision could be taken. I remember that we would occasionally seek the opinion of a clinician or haemophilia centre director, but this was not routine.
13. I recall that we tried very hard to be consistent and fair in our decision making when assessing applications; sometimes it seemed that we explored cases in more detail than we needed simply to be sure. I can't comment with certainty so many years later about how our decisions' consistency was affected by the changing composition of the NSSC; I don't remember any particular issues.
14. We applied 'discretionary determination of need' when assessing applications for assistance but not to regular payments which were made without assessing need and I agreed with that approach. The legal briefing in November 2006

(MACF0000016_086), however, suggested that regular payments regardless of need were incompatible with the Trust's charitable status. If this was so, a trustee would be acting ultra vires by giving cash to a beneficiary without first confirming their individual need. These regular payments were well established, however, and had not been questioned before in the 10 months I had been a trustee.

15. I don't remember the criterion of "Exceptional Circumstances" used to assess applications and have no records to assist me, so I cannot comment further.
16. I don't recall any formal mechanism to review negative decisions or complaints from applicants regarding decisions or decision-makers. I remember discussing some applications after new information became available, usually after a member of staff had talked further with the beneficiary at the request of the committee.
17. Despite reading the minutes of the meeting on 1 November 2006 (MACF0000016_075), I don't recall that discussion 14 years ago. From the minutes, it looks like a change of policy. Paper A referred to in Paragraph 130.06 would give more details but I don't have a copy. I don't recall whether I agreed with Mr Stevens, the chairman, and have no records to assist me, so I cannot comment further.
18. I suggested on 4 November 2006 that the Long Term Review should be revisited (Page 4, Paragraphs h and i of MACF0000016_086) because I was increasingly aware that we needed a clearer focus on what we should achieve for our beneficiaries. I don't recall the debate's detail, but I thought that we did not know enough about our beneficiaries' needs. The data we had on their prognosis, demography and financial requirements were derived from those who contacted us for help and a survey I believe was carried out in 2003 to inform the business case which the DoH rejected. We needed a clearer context for our operations if they were to be properly crystallised in the business objectives for the following year.
19. I don't remember the details of the office guidelines. Their purpose, as far as the NSSC was concerned, was to authorise the staff to make decisions up to a certain financial level without waiting for the next committee meeting.
20. As an active businessman, I was asked by the CEO to assess the applicant's business idea and viability. The market was unfamiliar to me, but I was

impressed with the applicant's relevant experience, drive and tenacity. He was also prepared to put his own cash into the venture. I think the documents provided (MACF0000025_019) summarise the business case well and the funding application was successful. It would have been inappropriate for me to fund him (since I might thereby benefit financially from my trusteeship) but I was happy to give him whatever advice I could without charge. We met a few times as he developed his ideas. We kept in touch after I left the Trust and last met on 9 May 2018. By then, the business was established and selling products in 1,000 stores in the UK.

21. This was the only NSSC funding application I supported so I had a 100% success rate.

Section 3: Loans and advances

22. As far as I can recall, we gave cash for some items and loans for others, but I do not recall why cash or a loan would be chosen in any particular case. I have some memory of us providing mortgages, but have no records to assist me, so I cannot comment further.
23. I recall approving loans or advances but not any specific cases. I must have agreed to those approved in meetings of the NSSC which I attended because I don't recall dissenting from any decisions there.
24. I don't remember the criteria used to select recipients for the different types of loans and/or advances or who drafted those criteria.
25. I don't remember specifically seeking advice with regard to the legality of any kind of loan or advance made by the Trust. I think advice was sought as part of the Trust's consideration of its future following the Archer Inquiry.

Section 4: Working Relationships

26. I wasn't involved personally with the DoH so don't have any information about the working relationship or any issues or causes for concern, apart from the funding already mentioned.
27. The working relationship between the trustees and senior management was good. I found the staff courteous and helpful and gave them advice whenever

requested. We understood our different roles and responsibilities. I had no issues or causes for concern with the Chief Executive or Chair.

28. I do not know anything about the working relationship between the Trust's senior management, the trustees and the Haemophilia Society. I recall, however, that the Society did not act upon a complaint the Trust made about the intellectual competence of a trustee nominated by the Society. I do not remember his name.

29. I do not know anything about the working relationship between the Trust's senior management, the trustees and the UK Haemophilia Centre Directors Organisation. I think that one of our trustees (a consultant haematologist) was a Centre Director.

30. Apart from the trustee mentioned in Paragraph 29, I was not in regular contact with any particular clinicians in relation to my work for the Trust.

31. Apart from the Skipton Fund mentioned in Paragraph 37, I had no dealings with the other Alliance House Organisations.

Section 5: The Archer Inquiry

32. The Archer Inquiry influenced the Trust to review our criteria for making payments to beneficiaries. My recollection was that the improvement in our beneficiaries' finances after the inquiry effectively removed financial need in the charitable sense of the word. A charity is registered as a charity because it can show that it meets 'need'. If that need was now met, then what was the Trust for? As trustees, we had to demonstrate a need for us to act charitably, hence the questions about the Trust's purpose, structure and staffing. I left before the board reached a decision about what the most important objectives of the Trust should have been. You have asked me for a personal opinion: the Trust should have been wound up or given a new non-charitable mandate to support beneficiaries' health and welfare when the state's provision was inadequate.

33. I have no recollection of the response I provided to the NSSC on 1 July 2009 (MACF0000012_017) or how it was received by the Trust.

34. I do not remember why we chose to make discretionary payments to those below a certain household income based on the additional costs of living with HIV (MACF0000012_152) or whether it was my preferred option.

35. I left the trust soon after the Post-Archer payment reforms were made by the Trust so don't know the impact on beneficiaries, apart from the obvious financial improvement.

Section 6: The Employment Affairs Committee (EAC)

36. The EAC reported to the Trust board and was composed of 3 or 4 trustees with the CEO in attendance; I was the chairman for a while. As I recall, its purpose was to monitor staff policies and senior staff remuneration and then recommend any changes it thought appropriate to the board.

37. The mechanics of the CEO's employment and pay prior to our recommendations are stated in the first paragraph of the second memorandum in the document MACF0000018_053. I cannot recall any more detail of why we made these recommendations than that stated. I think the Trust accepted our recommendations apart from that the CEO should be paid directly by the Skipton Fund (SF). The Trust decided to invoice SF for his services instead.

38. Whereas I think the EAC would have made other recommendations whilst I was a member, I cannot recall what they were or how they were received by the senior management, except that the appraisal system we recommended was well received by the senior staff.

Section 7: Other

39. The Board of Trustees functioned well, in my view. It was chaired competently by both the chairmen I served (Mr Stevens and Mr Fitzgerald) and it was well supported by the executive; papers were sufficiently detailed and distributed early enough to be read beforehand, and executives often attended the board to speak on their areas of responsibility. The executive was supervised appropriately (although some trustees were too keen on operational detail as is common among unpaid volunteers). I am unaware of any quantum change following MACF0000012_149. I don't recall whether these objectives were agreed by the board and I left before I could judge whether they were met.

40. Unfortunately, I have no recollection of my thinking behind the remarks reported in the second paragraph of page 7 of MACF0000012_066. I was always aware,

however, that people were beneficiaries of the Trust because they had been infected by NHS blood transfusions and therefore any payments we made were likely to be seen as compensation as much as charity.

41. I can recall no more details of my involvement in determining applications for financial assistance and support.

42. As stated, I believe the Trust was well run during my tenure. Judging whether it achieved its aims and objectives is more difficult after 10 years absence, given the discussions already noted about its purpose etc. I don't know of any difficulties or shortcomings in the way in which the Trust operated or in its dealings with beneficiaries and applicants for assistance, although I suppose we had our share of misunderstandings as all workplaces do. In our case negotiations between staff and applicants over financial matters would make such misunderstandings more likely, I suppose. Given its early history, it's hard to see how the Trust, well established by the time I was a trustee, could have done anything differently. Obviously, I can't comment on events before or after my tenure.

43. I don't have any other information that is relevant to the Inquiry's Terms of Reference.

Statement of Truth

I believe that the facts stated in this witness statement are true.

Signed

GRO-C

Dated 4 February 2021

Table of exhibits:

Date	Notes/ Description	Exhibit number