

Witness Name: Michael  
Lillywhite  
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INFECTED BLOOD INQUIRY

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FIRST WRITTEN STATEMENT OF MICHAEL LILLYWHITE

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## Section 0: Preface

I, Michael Lillywhite, will say as follows: -

- 0.1. My full name is Michael George Lillywhite. My address and date of birth are known to the Inquiry.
- 0.2. I make this statement in response to a Rule 9 request from the Inquiry dated 28 April 2022.
- 0.3. I was a Civil Servant in the Department of Health and Social Security (renamed the Department of Health in 1988) from December 1970 until I retired in September 1994. I was the Principal Private Secretary (PPS) to Dr David Owen MP (as he then was) during his tenure as Minister of State for Health from January 1975 until he left the Department on 10 September 1976. I remained in post until the end of 1976 serving as PPS to Dr Owen's successor, Roland Moyle MP.
- 0.4. I also held various other roles in the Department. I have set out further detail below.

### Reflections

- 0.5. At the outset I wish to make it known that I have a personal interest in the events that are the subject of this Inquiry. My late father-in-law, George Frederick William Bishop, died at St Mary's Hospital, Portsmouth, in GRO-C 1989. His death certificate included as the cause of death HIV infection. The first we knew about it was very shortly before he died. It was later assumed that he had contracted HIV from contaminated blood received during a heart

by-pass operation at Southampton General Hospital in September 1983. My wife and I assisted my mother-in-law, Muriel Grace Bishop (who sadly died in October 2018), in her claim for a payment from the Eileen Trust [WITN7087002]. She was awarded a payment of £52,000 in August 1993 [WITN7087003].

### **The process of providing this Statement**

- 0.6. I am of course willing to assist the Inquiry, but I would like to say something about my memory. I retired from the Department over 27 years ago and now, aged 84 years old, have little recollection of the detail of my work there. In particular, before I saw any documents, I could not remember having been in any way involved with the development or management of blood issues within the Department.
- 0.7. Before I was shown any documents I was asked if I recalled what was meant by self-sufficiency. I confess that even after the concept was explained to me while preparing this statement it did not prompt any memories. Likewise, when I was first asked what I knew about Factor VIII, with the passage of time it meant nothing at all to me.
- 0.8. I am therefore very heavily reliant on the documents that have been provided to me. But, I would also like to say something at the outset about what they show (or do not show) about my involvement. Having read the documents provided by the Inquiry, and some additional documents provided by my advisers, I can see that my name appears on various documents concerned with blood issues. Doing the best that I can, my recollection is that my involvement was at most peripheral. I should also add that some of the documents that I have seen have quite wide copyee lists – this was a feature of working in the Department; the system was such that people were often copied into things in which they may not have had direct involvement.

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- 0.9. I am conscious that the Inquiry is interested in two periods of my DH career. In the first period of interest to the Inquiry (1975 – 1976), when I was PPS to Dr Owen, the documents suggest that work in relation to blood was largely delegated to one of my juniors (Ian Alexander and, later, Gerry Grimstone). In my second period of interest to the Inquiry (1987 – 1988), when I was Head of Finance Division, while I was copied into various documents, my recollection is that I had little actual involvement in blood issues. I believe that I would have delegated much of the work in this area to my juniors in Finance Division.
- 0.10. To assist the Inquiry, I have set out below, in narrative form, a short factual description of those documents to which I have been referred. I have also sought to offer whatever comment I can on the document that might assist the Inquiry, but in many cases, this is limited to saying that I simply do not remember.

(i)

## **Section 1: Introduction**

### **Q1, Q2: Employment history**

- 1.1. The Inquiry has asked me about my professional qualifications and employment history.
- 1.2. I left school at age 16 and joined the Ministry of Supply as a Clerical Officer. I studied for A Levels during evening classes. I got into the London School of Economics and studied there for a BSc. in Economics from 1957 until 1960. I spent 10 years working outside the Civil Service after graduation. I joined the Department of Health in December 1970.
- 1.3. I exhibit to my statement a typed CV, which I found at home recently. This sets out the detail of the roles that I held in the earlier period of my career at the DHSS, up to around 1980.
- 1.4. I have been shown a profile on me from the Cabinet Office's Public Appointments Unit, dated 9 April 1996 [WITN7087004]. A further CV of mine is attached, which appears to cover most, if not all, of my time in the Department. This CV looks to be substantially accurate.
- 1.5. I understand that the Inquiry are particularly interested in the following periods (I refer to my CV for details of the other periods/roles):
  - a) 1975 – 1976. As I indicated above, in this period I was the PPS to the Minister of Health. This was Dr Owen from January 1975 until 10 September 1976. I then continued as PPS to Roland Moyle until the end of 1976.

- b) 1987 – 1988. I was Head of Finance Division in the DHSS. My advisers have referred me to the Civil Service Yearbook for 1998. I am listed there as Director (Grade 3) of Finance Division B, which is why I am referred to in some of the documents from this period as working in “FB”.
- 1.6. I worked in Finance Division at DH from February 1980 until February 1989. I was an Assistant Secretary until February 1986. I became Head of Finance Division in March 1986 and remained there until February 1989.
- 1.7. I spent the final five years or so of my DH career (from March 1989 to September 1994) as Director of Personnel in the Departmental Management Division. This role was concerned with DH resource management issues, including human resources. The grade was called Principal Establishment Officer (Grade 3).
- 1.8. After I retired from DH in September 1994 at age 56, I had some involvement in the Bristol Royal Infirmary Inquiry. I was asked by DH to review files for the Inquiry. I did this for two months. I cannot now remember any of the details. I also served on the Civil Service Selection Board and did some work on staffing for what was then the Ministry of Agriculture, Fisheries and Food (MAFF).

**Q3: Committee memberships**

- 1.9. I have not held any membership, past or present, of any committees, associations, parties, societies, groups or organisations that are relevant to the Inquiry's Terms of Reference.

**Q4: Private interests**

- 1.10. I referred above to my father-in-law's infection with contaminated blood and the payment that was made to my mother-in-law. I do not otherwise have (nor have I had) any private or business interests which are relevant to the Inquiry's Terms of Reference.

**Q5: Involvement in other inquiries**

- 1.11. Save for my passing involvement in the Bristol Royal Infirmary Inquiry, I do not think that I have provided evidence or have been involved in any other inquiries, investigations, criminal or civil litigation in relation to human immunodeficiency virus ("HIV") and/or hepatitis B virus ("HBV") and/or hepatitis C virus ("HCV") infections and/or variant Creutzfeldt-Jakob disease ("vCJD") in blood and/or blood products.



## **Section 2: Self-sufficiency and related issues**

### **My role as Principal Private Secretary to the Minister of State for Health**

#### **Q6: Principal Private Secretary to David Owen**

- 2.1. The Inquiry asks me whether it is correct that I was the PPS to Dr Owen during his tenure as Minister of State for Health.
- 2.2. I have been reminded that Dr Owen was the Parliamentary Under Secretary of State for Health from 8 March 1974 until 26 July 1974 and was then the Minister of State for Health from 26 July 1974 until 10 September 1976. The late Barbara Castle MP was the Secretary of State for Health for this period, except for the final six months (April 1976 to September 1976) when the late David Ennals MP was in the role.
- 2.3. I have been reminded that the Permanent Secretary during Dr Owen's tenure was Sir Philip Rogers and later Sir Patrick Nairne.
- 2.4. I became Dr Owen's PPS in January 1975, by which point he had been a Minister in the Department for about nine months. I remained Dr Owen's PPS until he left office in September 1976. I was therefore PPS to Dr Owen for 21 months. I then continued as PPS to Roland Moyle for just over two months, until January 1997.
- 2.5. Alan Bacon was my predecessor as PPS to Dr Owen. I do not know when he started with Dr Owen. I recall that there was an issue with Alan Bacon being overworked. Barbara Castle, who was by then a very experienced Minister, wanted to focus on five big areas (I cannot now remember what they were, possibly NHS pay, private practice and some priorities on social security) and much of everything else she delegated to Dr Owen. Dr Owen therefore had an

enormous workload. Alan Bacon was working every evening and weekends but was struggling to keep up.

- 2.6. Part of the difficulty was that before Dr Owen's appointment the Minister's Private Office comprised Alan Bacon, a diary secretary (Jessie Angoy) and a correspondence clerk (Mick Fenn). It became clear that the staffing of Dr Owen's office needed to be expanded, hence my appointment.
- 2.7. I was also given an expanded team, which included support from an Assistant Principal grade civil servant in the role of Private Secretary. In the first year, I had Ian Alexander (who is no longer alive). In the second year, I had Gerry Grimstone (now Lord Grimstone and the former chairman of Barclays Bank). I recall that we split the work between us, so they did certain subjects, and I did other subjects. Both were capable and I tried to delegate to them wherever I could.
- 2.8. Based on the documents that I have seen – but not on memory – it would seem that issues relating to blood and blood products etc were handled by the Private Secretaries.
- 2.9. I recall that when Dr Owen left and was replaced by Roland Moyle the Private Office structure reverted to how it was before.

**Q7: Duties of Principal Private Secretary to the Minister of State**

- 2.10. I am asked to describe the role and duties of the PPS to the Minister of State for Health.
- 2.11. The PPS oversaw the Minister's Private Office. The role and duties of the Private Office were to act as a conduit between the Minister and the

Department. The task was two-fold: to assist the Minister in the implementation of the Government's health policies and to assist Departmental officials in the business of the Department. In other words, I would act for the Minister when he wanted something doing and I would act for the Department when the Department had business that required ministerial clearance, for example if an official wanted an opportunity to put a submission before the Minister.

2.12. Much of the business was delivered on paper: Departmental submissions would be put to the Minister and the Minister's response would be returned to Departmental officials in writing. There was also a considerable workload arising from the amount of correspondence from MPs and members of the public. But, there were of course many issues which required discussion between the Minister and officials; meetings were arranged and one of the Private Secretaries would be present to take a note and record decisions and actions to be taken.

2.13. The role of the Private Office was to ensure that the Minister was advised by appropriate officials and that the Minister's decisions were implemented; it was not their role to give advice on the substance of the issues involved.

#### **Q8: Papers for the Minister**

2.14. I am asked to explain what criteria were applied when deciding which papers should be provided to the Minister and what part I, as PPS, played in that process.

2.15. In terms of ministerial submissions, these would be addressed to me by name, but I would then put it before the Minister, usually by placing it in his red box. The Minister would usually write comments on the submission and I would then relay these back to the official concerned.

- 2.16. In the case of Dr Owen, I would sometimes feel it necessary to translate the Minister's comments on a particular submission into more diplomatic language (he could be quite direct). I recall Dr Owen asking me to stop doing that and to give officials his comments verbatim. From then on, I recall that we put Dr Owen's comments in inverted commas.
- 2.17. I would not summarise submissions for Dr Owen; there simply was not the time. I also would not advise him which issues to focus on; he was well capable of that and had a clear idea of his priorities. In no circumstances would I give, or seek to give, him policy advice. I really did not get involved in the formulation of policy at all - that simply was not my role. The focus of my work was making sure that his office was well organised, for example making sure papers were in the correct place, chasing up responses, organising meetings etc.
- 2.18. In relation to Dr Owen, I did not see it as part of my role to filter what the Minister saw insofar as ministerial submissions were concerned. I also do not recall having to filter out correspondence to lessen what Dr Owen saw.
- 2.19. It was no different with Roland Moyle. Although when Roland Moyle was appointed, the workload was very much reduced and so the office staffing level reduced to what it was before Dr Owen. We however carried out the work in the same manner as we had for Dr Owen.

### **The policy of self-sufficiency promoted by Dr Owen**

#### **Q9, 10: Dr Owen's speech to the House of Commons, January 1975**

- 2.20. The Inquiry refers me to the fact that in January 1975, Dr Owen told the House of Commons that he believed that it was "*vitally important that the National Health Service become self-sufficient as soon as practicable in the*

*production of Factor VIII*". I am asked to consider a series of documents and questions on this matter.

- 2.21. I explained above that when I first came to give this statement concepts such as self-sufficiency and Factor VIII were completely unfamiliar to me. I have gained some understanding from reading the documents, but I still do not have any independent recollection of being involved in this area. My comments on the documents that follows should be read within this context.
- 2.22. The Inquiry refers me to a Circular from Mr Gidden of the DHSS to Regional Administrators, dated 24 December 1974 [CBLA0000239] [1/3]. The document informed Regional Administrators of the "*immediate need to provide more AHG concentrate*" to the National Blood Transfusion Service. I had not yet arrived in Dr Owen's office at the date of this document; I was then a Regional Principal in DHSS with responsibility for the south west region (working on the 1974 NHS reorganisation). I do not believe that I would have seen this document at the time.
- 2.23. The Inquiry refers me to the Hansard record of Dr Owen's statement on 22 January 1975 [DHSC0000274] [1/5]; the comment that Dr Owen's made about the importance of self-sufficiency is referenced above. I have no memory of Dr Owen making the speech. I would not have been involved in drafting it; that would have been done by policy officials and Dr Owen.
- 2.24. Likewise, the Hansard record of Dr Owen's written answer, dated 4 March 1975 [DHSC0100006\_017] [1/7] – in which Dr Owen confirmed the allocation of up to £500,000 to increase production of AHG concentrate with the aim of becoming self-sufficient – I do not recall anything about this from the time.

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- 2.25. Mr Brandes of HS2 minuted Ian Alexander on 17 March 1975 [CBLA0000260] [1/8]. Mr Brandes' minute reported on plasma production targets for the Regional Transfusion Centres. While the document is addressed to Ian Alexander, the intended recipient was Dr Owen. This mode of address was the convention by which the Private Office system worked.
- 2.26. Looking at the document now, I think it is Dr Owen's handwriting in the top right corner. Ian Alexander would have put Mr Brandes' minute before Dr Owen for comment and then sent Dr Owen's comments back to Mr Brandes. This document also illustrates the point that I made at the outset that the documents suggest to me that management of correspondence related to blood was delegated to the junior Private Secretary, here Ian Alexander.
- 2.27. On 11 July 1975, Mr Jackson minuted me on the subject of "*Factor VIII: AHG concentrate*" [DHSC0001774] [1/10]. Dr Owen had asked for a note on whether a two to three year time-scale for the Regions to increase their plasma production could be improved upon. Mr Jackson's minute mentioned problems faced by the programme, including delays in delivery of centrifuges to the Blood Products Laboratory (BPL) and uncertainty about the ability of two Regions to contribute.
- 2.28. Although addressed to me, the intended recipient was Dr Owen – as I have said, this was how correspondence from officials to Ministers worked. I believe that I would most likely have simply passed it to Ian Alexander who would then have put it before Dr Owen. I see Dr Owen's handwriting is on the top right corner ("*This is excellent work...*").
- 2.29. Ian Alexander replied to Mr Jackson by minute dated 14 July 1975 [DHSC0001769] [1/12]. He said,
- Dr Owen has seen your minute of 11 July 1975. His manuscript comment above reads:*

*“This is excellent and I recognise that everyone is doing everything possible. I believe we should keep up the pressure. Can I be kept informed on the centrifuges and also the two regions – why are there difficulties and what can be done? I would not easily accept that they should not contribute.”*

- 2.30. This is a good example of how the Private Office worked. Ian Alexander typed up Dr Owen’s handwritten comments and sent them to Mr Jackson, apparently along with a copy of Mr Jackson’s minute that Dr Owen had annotated.
- 2.31. On 18 August 1975, Ian Alexander handwrote a note on his minute of 14 July which asked Mr Jackson when he would answer Dr Owen’s queries.
- 2.32. On 21 August 1975, Mr Jackson handwrote a comment on the same minute, addressed to me, saying he had spoken to Ian Alexander. He offered an interim report for Dr Owen at the date of his note or a definitive report by the end of September. I replied on 22 August 1975 with a handwritten comment saying that Dr Owen would prefer the latter [WITN7087005] [2/8]. The handwritten notes show that I later agreed to an extension to 15 October for Mr Jackson to respond to Dr Owen.
- 2.33. My involvement here was to keep the office “ticking along” by helping to chase answers to Dr Owen’s queries; it does not suggest that I had any involvement in the substance of what was being discussed. As I have said, Ian Alexander appears to have managed the issue for the Private Office.
- 2.34. On 23 October 1975, Mr Jackson minuted me and Mr Draper with replies to Dr Owen’s queries. [DHSC0000930] [1/14]. He reported that the centrifuges would be delivered to BPL on time and that all Regions had agreed to take part in the programme. The tick through my name confirmed that I had put the minute to Dr Owen. At most, I would have scanned the minute before passing

it on; I would not have read it in any detail. I think Mr Draper made the handwritten comment that starts "*I think Mr. Jackson has done extremely well...*". The handwritten comment in the top right corner is Dr Owen.

- 2.35. Gerry Grimstone minuted Mr Jackson on 29 October 1975 [WITN7087005] [2/8]. He said,

*Dr Owen has seen your minute of 23 October and has commented: -*

*"Good. My congratulations too. I attach a lot of importance to keeping to and if possible improving on, our present target."*

- 2.36. This is a further illustration of the point that I have made about how the Private Office worked: putting documents before the Minister and then relaying the Minister's comments back to policy officials. Gerry Grimstone must have replaced Ian Alexander as junior Private Secretary at some point between August and October 1975.

- 2.37. Mr Tringham, Medicines Branch 2, sent me a minute dated 16 January 1976 [DHSC0003742\_077] [2/15]. The minute referred to Dr Owen's wish to see any further applications for product licences to authorise the importation of Factor VIII. He said he had prepared a submission (for Dr Owen) about the application from Armour Pharmaceutical Company. I have no recollection of this matter.

- 2.38. On 18 June 1976, Mr Dutton of HS2A minuted me and Mr Draper [DHSC0100006\_143] [1/15]. The Expert Group on Haemophilia had advised that the Factor VIII production programme might provide no more than a third of the likely requirements for Factor VIII. He attached a note on the issue [DHSC0100006\_144] [1/16]. The minute was plainly for Dr Owen's attention ("*In view of the Minister of State's interest in this programme and his concern to see that NHS self-sufficiency is attained as soon as possible...*"). I would have passed it to Gerry Grimstone to handle with Dr Owen.



- 2.39. Gerry Grimstone replied to Mr Dutton on 21 June 1976 [DHSC0100006\_145] [1/17]. He said,

*Dr Owen has seen your minute of 18 June about the likely requirements for Factor VIII a few years from now and has commented: -*

*"This was inevitable and comes as no surprise at all. This only demonstrates once again why we must reform the National Blood Transfusion Service."*

- 2.40. On 15 July 1976, Mr Benner sent me a submission about the National Blood Transfusion Service. [DHSC0003738\_050] [1/18]. His submission opened with reference to a forthcoming meeting with Dr Owen "to discuss the management and operational arrangements for the NBTS" in light of a recent paper by Dr Maycock. The submission summarised the main issues involved. As before, I do not believe that this was my area. I would have passed it to Gerry Grimstone to deal with.

- 2.41. On 21 July 1976, Gerry Grimstone replied to Mr Benner's submission [WITN7087006] [2/16]. As usual, he set out verbatim Dr Owen's comments on the submission (which included Dr Owen's comment that, "*I am very disturbed about the present system [i.e., the NBTS] and will not accept it continuing unchanged.*" Gerry Grimstone proposed deferring the meeting until he had received a response to Dr Owen's comments on the submission.

**Q10: £500,000 funding for self-sufficiency**

- 2.42. The Inquiry asks me what my role was, if any, in formulating the policy that £500,000 would be spent with the intention of achieving self-sufficiency in Factor VIII as soon as was practicable.

- 2.43. As I have already said, I did not have a role in formulating policy. Although I cannot now recall, I am confident that I would not have been involved in formulating the £500,000 self-sufficiency policy.

**Q11: My understanding of the term “self-sufficiency”**

- 2.44. I am asked about my understanding of the term “self-sufficiency” and how the DHSS’ definition of self-sufficiency was arrived at.

- 2.45. As I explained above, I cannot now recall what I understood self-sufficiency to mean at the time. I am confident that I would have played no material role in determining how the DHSS defined self-sufficiency. I am referred by the Inquiry to paragraph 6 of Mr Dutton’s minute of 11 July 1975; I explained above how, in reality, the content of his minute was addressed to Dr Owen.

**Q12: Dr Owen’s rationale for self-sufficiency policy**

- 2.46. I am asked what my understanding was of the reasons why Dr Owen introduced the policy. For the reasons already given, I do not think I can answer this question.

**Q13: Change in self-sufficiency policy over time**

- 2.47. I am asked whether the reasons for the policy changed as time progressed. Again, I cannot answer.

**Q14: My role in implementation of self-sufficiency policy**

- 2.48. I am asked what role I played in the implementation, or overseeing the implementation, of the policy. As I have explained, development and implementation of policy was not the role of the Private Office. In essence, we were a conduit for the passing of information between the Minister and the wider Department.

**Q15: DHSS influence over RHAs and RTCs**

- 2.49. I am asked to describe the extent to which I or the DHSS could or did influence Regional Health Authorities Regional Health Authorities ("RHAs") and/or Regional Transfusion Centres ("RTCs") to use their funding to procure plasma for use in blood products.
- 2.50. During my time in the Private Office this would not have been any part of my role. It is something that I may have encountered in other roles in the Department, but I do not now have any recollection.

**Q16: T E Dutton's note of June 1976**

- 2.51. The Inquiry asks me a series of questions about Mr Dutton's minute to me dated 18 June 1976 and Dr Owen's response dated 21 June 1976. As explained above, I would have passed Mr Dutton's minute to Gerry Grimstone, who would have put it before Dr Owen. I was not copied into Gerry Grimstone's reply to Mr Dutton. I do not think I am in a position to comment on any of the points raised by the Inquiry.

**Q17: Reflections on self-sufficiency policy**

- 2.52. I am asked to reflect on my role on the success or otherwise of the policy. For all the reasons given above, I do not believe that I ever had any material role in the policy and so am not able to give any comment.

### **Section 3: Response regarding the infected and affected persons (IAP) community**

- 3.1. As indicated above, in the second period of interest to the Inquiry (1987 – 1988), I was Head of Finance Division at the DHSS.
- 3.2. I have been shown an extract from the Civil Service Yearbook for 1988, which shows that the Finance Group at the DHSS was then separated into various directorates, or divisions. My role was Director (a Grade 3 civil service post) of Finance Division B (referred to internally as “FB”). I had overall responsibility for the six separate branches (called Branches B1 to B6) that comprised Finance Division B. A brief summary of the work carried out by each branch is set out in the Civil Service Yearbook.
- 3.3. The role of FB was generally to locate funds in support of Ministers’ policies; the development of these policies was the responsibility of our policy colleagues. My responsibilities in FB were very wide. My own focus was very much on the funding of the NHS, including cash limits for Health Authorities and GP services. The funding of the blood service was contained within the budget for Centrally Financed Services, a relatively small part of my responsibilities. Looking at the Civil Service Yearbook, this is likely to have fallen within the remit of Branch B1 (referred to internally as “FB1” [see 1/21]). Branch B1 was headed by my junior, Andrew Ratcliffe, a Grade 5 civil servant (or Assistant Secretary). He is sadly no longer alive.

#### **Financial assistance to individuals with HIV infection**

##### **Q18: Involvement in DHSS decisions in relation to financial assistance**

- 3.4. I am asked to describe my involvement in decisions and actions taken by the DHSS in 1987 in relation to compensation or other financial support for individuals infected with HIV through the use of blood products. I emphasise that the chronological account that follows is based entirely on the documents

made available to me. I make some general comments about these documents at the end.

3.5. On 7 August 1987, Strachan Heppell of HPSS Policy Group minuted Dr Moore of HS1 (copied to me) [WITN7087007] [2/69]. The minute concerned a draft submission for Ministers on "*Compensation for haemophiliacs with HIV infection*". Strachan Heppell said "Finance" should have an opportunity to comment on the draft.

3.6. I sent a minute to Dr Moore of HS1 on 11 August 1987 [DHSC0004541\_174] [1/21]. I said,

*"1. Mr Heppell copied to me the latest version of a proposed submission. From the financial viewpoint, there is of course no easy solution as to where the money is to come from. Firstly, this must depend upon when it is proposed to make these payments. In the current financial year, 1987-88, the Centrally Financed Services budget is some £3 million overcommitted, excluding the extra requirements for AIDS that have emerged since the budget was settled. In 1988-89 and beyond, there have already been bids for some £40 million more expenditure thrown up as part of the PES process; initial reaction from Treasury is that it will be difficult to get a small fraction of that added to our PES baseline.*

*2. In short, any public commitment to 1988-89 expenditure will mean that the options for projects in other areas will have to be sharply reduced in the proposals that we will put to Ministers later this year; expenditure this year, 1987-88, will mean significant cuts in existing programmes.*

*3. If you are looking for an immediate source of funding in the current year that will not cut back services to other groups, then I can only suggest that the commitment to spend £20 million on AIDS publicity be reviewed by Ministers, and funding diverted from that."*

(original emphasis)

3.7. I set out other problems that I foresaw, including that the matter would need to be cleared by the Treasury. I closed the minute by expressing hope that the

information that I had provided would be sufficient for policy colleagues to complete the “financial” paragraph of the submission. I asked that Andrew Ratcliffe be given further sight of the submission before it went to Ministers and added him to the list of copyees.

- 3.8. I cannot now recall the subject of this minute at all. I think that the minute would probably have been drafted by Andrew Ratcliffe. I accept that I would have read it at the time and may have discussed it with him, but I have no memory of doing so.
- 3.9. Norman Hale minuted me on 17 August 1987 with comments on my minute to Dr Moore [DHSC0004541\_172] [1/23]. He said that the proposal in paragraph 3 of my minute, to review the commitment to spend £20m on AIDS in 1987-88 would be very difficult.
- 3.10. On 20 August 1987, Mr Arthur of HS1A sent a submission to the Private Secretary to the then Minister of State for Health, Tony Newton MP, copied to John Cashman and Andrew Ratcliffe [WITN7087008] [2/73]. The submission enclosed a draft minute for Tony Newton to put to the then Secretary of State for Health, John Moore MP, on the issue of compensation for haemophiliacs infected with HIV. Mr Arthur said, “*this [i.e., the draft minute] incorporates comments by Mr Heppell and Mr Lillywhite of FB*”.
- 3.11. On 21 August 1987, Andrew Ratcliffe minuted Tony Newton’s Private Secretary, copied to me, with comment on Mr Arthur’s submission [WITN7087009] [2/74]. I was on leave at the time (see handwritten comment “o/r” next to my name). Andrew Ratcliffe’s comments repeated the point that I had made in my minute to Dr Moore of 11 August 1987 about the difficulties that faced Centrally Financed Services.

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- 3.12. Norman Hale minuted Dr Hilary Pickles on 1 September 1987 [DHSC0004541\_167] [1/75]. This was copied to Andrew Ratcliffe, but not to me. Norman Hale noted that Tony Newton was pressing John Moore to consider making payments to haemophiliacs with HIV infection. He referred to his minute to me dated 17 August 1987 in support of his point that funds for AIDS publicity should not be cut to provide compensation for those infected with HIV.
- 3.13. John Moore sent a note to the then Prime Minister, Margaret Thatcher MP, dated 24 September 1987 [WITN7087010] [2/76]. This was copied to me and various others. John Moore said that he had looked at the case for compensation carefully in light of a campaign by the Haemophilia Society. He said that it would not be wise to set a precedent by accepting that the Government should provide a special compensation scheme for haemophiliacs. I assume that I was copied into this because FB (in particular, Andrew Ratcliffe) had been involved in providing finance advice. I do not now recall the document; it is likely I would have passed it on to Andrew Ratcliffe.
- 3.14. Malcolm Harris of HS1 minuted the Assistant Private Secretary (APS) to John Moore on 3 November 1987 [WITN7087011] [2/82]. This was copied to me and others. Attached was a draft paper for the Cabinet's Home and Social Affairs Committee on compensation for haemophiliacs [WITN7087012]. The paper said that John Moore and Tony Newton had met the Haemophilia Society on 3 November and (in a change of stance) intended to seek Cabinet agreement to giving special financial help to affected haemophiliacs. The minute stated that Finance Division were in negotiation with Treasury officials and had not yet obtained clearance for the paper.
- 3.15. On 4 November 1987, Malcolm Harris sent a further minute to John Moore's APS (copied to me) [DHSC0002375\_047] [1/25]. Malcom Harris and I had met with Treasury officials that day to seek clearance of the (now revised)

draft paper [WITN7087013] [2/86]. The minute said that we had sought from the Treasury additional once-off funding of up to £10 million for the current year. I wrote to the Treasury the same day enclosing a copy of the revised draft paper reflecting our discussions [WITN7087014] [2/83].

- 3.16. On 11 November 1987, I minuted John Moore's APS about a meeting that colleagues and I had with the Treasury on 10 November to explore the scope for funding the £10 million payment from Centrally Financed Services [DHSC0002375\_050] [1/26]. It was agreed at the meeting that this was not realistic. I set out the options and recommended,

*"5. If the Secretary of State is content, I will seek to reach agreement in writing, at officials level, on the proposal that £1millions of the £10 millions payment to the Haemophilia Trust shall be funded from windfall receipts whilst rejecting any proposal that an additional contribution of, say, £0.2 millions should be found by reducing the further allocation to London Lighthouse."*

- 3.17. On 12 November 1987, John Moore's APS minuted the Private Secretary to Tony Newton (copied to me) to confirm that John Moore had seen my minute and was content [DHSC0003961\_023] [1/28].

- 3.18. On 13 November 1987, I wrote to Ms Wiseman at the Treasury [DHSC0004415\_056] [1/29]. I attached a draft statement that John Moore proposed to make to the House of Commons the following week. I sought agreement to the wording of the reference in the statement to funding, which then said that the £10 million would come from the Reserve and not from existing health programmes.

- 3.19. Tony Newton announced to the House of Commons, on 16 November 1987, that the Government had concluded that it would be right to recognise the unique position of haemophiliacs infected with AIDS by making an *ex-gratia* grant of £10 million to the Haemophilia Society to enable it to establish a special trust fund [LDOW0000241] [1/30].



3.20. I wish to make the following points about the documentary record set out above:

- a) None of the documents are at all familiar to me reading them now, some 34 years later. I have no independent memory of these issues. I have read the documents in order to try to refresh my memory, but having done so I do not have any further comment that I can add beyond what is set out above.
- b) I do recall Andrew Ratcliffe. As I have said, he was the head of one of the branches in FB, and my junior. I believe I would have delegated much of the work to him – his inclusion in some of the minutes indicated that he was involved.

**Q19: Financial payments to haemophiliacs infected with HIV/AIDS**

3.21. I am asked what role, if any, did I play in the decision in principle to provide financial payments to people with haemophilia who had been infected with HIV/AIDS.

3.22. It was not my job to comment on policy; my role in FB was to see if we could raise the funds to finance colleagues' policies. I would therefore not have played any role in the "in principle" decision whether to make payments to haemophiliacs infected with HIV. Given my role, I am not in a position to answer the Inquiry's question about what my views were on whether such payment should have been made.

**Q20: Ringfence around payments**

3.23. The Inquiry asks whether I expected, at the time, that the payments could be limited to that which was then proposed, both in terms of (i) the level of the payments, and (ii) the group of people to whom the payments would be made?

- 3.24. I cannot not now recall what, if any, expectations I had. In any event, these issues would have been a matter for policy colleagues and Ministers.

**Q21: Anticipation of future increase in payments to those with HIV/AIDS**

- 3.25. I am asked whether it was anticipated, by me or others, that the payments may have to be increased in the future if the life expectancy for those with HIV/AIDS improved. I do not have any recollection of discussions around this issue.

**Q22: Discussions on how to fund proposed payments**

- 3.26. The Inquiry asks me to describe the discussion that took place within DHSS, and between the DHSS and the Treasury on how the proposed payments were to be funded. I do not now have any recollections of any discussions either with the Treasury or within the DHSS. I do not think I can add anything to the documents above, which set out my communications with the Treasury on this issue.

**Q23: Reflections on payments to haemophiliacs**

- 3.27. I am asked, what are my views now on the way in which the issue of financial support and/or compensation for people with haemophilia who were infected with HIV was handled.
- 3.28. For the reasons given above, namely my lack of any real recollection of this issue due to the passage of time and the narrow scope of my involvement (essentially, as a Finance Division representative in the discussions) I do not think I am in a position to express any views.

**Q24: Involvement in DHSS decisions in relation to financial support for individuals infected with HIV through use of blood (rather than blood products)**

- 3.29. I am asked to describe my involvement in decisions and actions taken by the DHSS in relation to compensation or other financial support for individuals infected with HIV through the use of blood (rather than blood products). Again, I emphasise that the chronological account that follows is based entirely on the documents made available to me.
- 3.30. On 10 June 1988, Strachan Heppell minuted John Cashman of HS about discussions between John Moore and Robin Cook MP regarding compensation for those infected with HIV through infected blood, rather than blood products [DHSC0003960\_011] [1/35]. John Cashman was asked to start exploratory talks with the Macfarlane Trust. It was noted there was no authority for making any additional money available. The minute was copied to me.
- 3.31. On 15 June 1988, Malcolm Harris replied to Strachan Heppell and set out various policy issues that would arise if financial support was extended to non-haemophiliacs [DHSC0003960\_012] [1/36]. Again, I was copied in. On cost, Malcom Harris said,
- "I suspect we will have to meet any costs ourselves. We only squeezed the £10m out of Treasury because of the political pressure brought to bear by the Haemophilia Society's campaign. There is no parallel pressure for blood transfusion recipients we could pray in aid. We do not anticipate any major pressure since these victims are isolated and unorganised."*
- 3.32. On 27 June 1988, Malcolm Harris put a submission to Strachan Heppell and to John Moore's APS [DHSC0003960\_015] [1/38], which was copied to me. John Moore had asked how financial help could be provided to recipients of HIV infected blood and organs in a similar way to the haemophilia scheme. The submission largely repeated the points made in Malcolm Harris' minute to

Strachan Heppell of 15 June. The submission recorded that *“New money would be required”* for any extension of the scheme.

3.33. On 29 June 1988, Strachan Heppell minuted Tony Newton’s Private Secretary with a copy of Malcolm Harris’ submission to John Moore. Again, I was copied in. The minute noted that *“finding the necessary funds”* was one of the issues to be resolved before officials could bring forward workable proposals [DHSC0003960\_014] [1/40].

3.34. On 5 July 1988, the Private Secretary to the then Chief Medical Officer, Sir Donald Acheson, minuted Strachan Heppell with the CMO’s comments on his minute of 29 June [DHSC0003960\_016] [1/41]. I was copied in.

3.35. On 20 July 1988, Dr Pickles of SEB/B minuted the CMO’s Private Secretary [DHSC0003960\_009] [1/42]. Dr Pickles set out concerns about the possible extension of the Macfarlane scheme. She referenced the points made in Malcom Harris’ submission of 27 June. Dr Pickles closed by saying *“The legal and financial obstacles may prove decisive.”* Again, I was copied in.

3.36. On 21 July 1988, Dr Moore minuted Malcom Harris, Strachan Heppell and Tony Newton’s Private Secretary with an attached submission, which outlined a scheme to provide special financial help in accordance with John Moore’s request [DHSC0003960\_006] [1/44]. Again, I was copied in. Under “Funding”, the submission said,

*“Our estimate of 100 people in need would therefore require funds of at least £1m. Given the uncertainty in the estimate it would be prudent to make payments to the Trustees in instalments, with perhaps £250k in the first year. There is no existing provision for any level of funding in the current year. The assurances given to HM Treasury about the haemophiliacs unique treatment make their response to a request for additional funds predictable.”*

3.37. On 25 July 1988, Strachan Heppell minuted Tony Newton's Private Secretary (copied to me). Strachan Heppell advised against implementing the proposed scheme [DHSC0003960\_005] [2/123]. He said he had discussed the matter with the Second Permanent Secretary, Sir Michael Partridge, who, as the Accounting Officer, had expressed his own reservations.

3.38. On 28 July 1988, Dr Moore minuted John Cashman and the APS to Kenneth Clarke MP, who by then had become the Secretary of State [DHSC0002842\_001] [1/51]. Dr Moore attached a draft letter to send to Robin Cook [DHSC0002842\_002] [1/52]. The minute said,

*"Nevertheless it does not appear practicable to provide special financial help beyond that already provided by the Social Security system and the draft letter explains this view."*

3.39. I was not copied into Dr Moore's minute to Kenneth Clarke.

**Q25: Views on financial payment scheme for individuals infected with HIV/AIDS through use of blood (or transplants)**

3.40. The Inquiry asks what my views were, at the time, about whether a scheme should be put in place to provide financial payments to those infected with HIV/AIDS through the use of blood (or transplants).

3.41. Except for Dr Moore's minute to Kenneth Clarke (which was not copied to me at all), I was copied into the documents above. However, unlike financial assistance for haemophiliacs, the documents that I have seen on this issue do not suggest that I became actively involved. I suspect, although of course do not know for sure, that I was copied into the documents as a matter of systems and processes. Given there was a finance element to the proposed extension of the payment scheme to non-haemophiliacs, policy colleagues would have wanted Finance Division to be aware of developments.

- 3.42. Given my limited involvement, I do not think I am in a position to express any views.

**Q26: Reflections on financial payment scheme for individuals infected with HIV/AIDS through use of blood (or transplants)**

- 3.43. I am also asked what my views on this matter are now. I refer the Inquiry to my answer to the question above.

## Section 4: Other issues

### Q27: Any other matters

- 4.1. I am asked to provide any further comments. I wish to make the following further points that are apparent from the documents.

#### (1) Macfarlane Trust – Trustee role

- 4.2. I was approached by DH in April 1996, after I had retired, to see if I would be willing to be considered as a potential trustee of the Eileen Trust or the Macfarlane Trust [WITN7087015] [2/140]. I responded to say that I would be willing to serve, if required [WITN7087016] [2/142]. In August 1997, received a letter from DH telling me there was a vacancy on the Macfarlane Trust [WITN7087017] [2/144]. I never did serve as a trustee.

#### (2) BPL redevelopment - 1981

- 4.3. On 1 October 1981, Mr Harley of HS1 minuted me about the redevelopment of BPL [DHSC0020710\_066] [2/28]. At the time, I was an Assistant Secretary in Branch 2 of Finance Division B (FB2). Mr Harley asked for advice on how to explain to the Policy Steering Group (who planned the redevelopment) the difficulties in relation to financial planning for the project. I replied on 6 October 1982 [DHSC0020710\_065] [2/29].

#### (3) CBLA funding - 1983

- 4.4. I attended a meeting between the DHSS and the Central Blood Laboratories Authority (CBLA) on 22 November 1983 [DHSC0001669] [2/51]. The then Parliamentary Under-Secretary of State for Health, Lord Glenarthur, was present. The meeting was to discuss financing of the CBLA. The CBLA needed increased funding to meet an expected increase in plasma and to train additional staff in anticipation of the opening of the new BPL. Lord Glenarthur told the CBLA that the Department could agree to the provision of an additional £0.5m revenue funding. The introduction of charges to RHAs for the supply of blood and blood products was also discussed.

- 4.5. I was later copied into a ministerial submission, dated 27 February 1984, from John Parker of HS1 (who sadly is no longer alive) to Lord Glenarthur [WITN7087018] [2/53]. Ministerial approval was sought to consult with the NHS on the introduction of handling charges for the supply of blood and blood products to non-NHS hospitals.

(4) Hepatitis B vaccine - 1986

- 4.6. On 11 August 1986, John Long minuted me about the financial implications of extending the categories of people for whom the Hepatitis B vaccine was recommended [WITN708719]. He attached a draft ministerial submission. I replied on 18 August 1986 with comments about the financial options [WITN7087020] [2/63]. I was Head of Finance Division B by this stage. I do not think that after the passage of time I am able to add anything further.

(5) Dr Owen's papers

- 4.7. I have been asked if I can comment on the storage of papers during my time in Dr Owen's office. I have been shown paragraphs 15, 31, 55 and 57 to 59 of Brendan Sheehy's second statement to the Inquiry. I cannot recall having any involvement in the disposal of papers or organising the disposal of papers when in Dr Owen's office.
- 4.8. Trying my best to remember, I think that the procedure was that if there was a change of government then the papers would have been sent back to the relevant policy team. I cannot now recall anything further.

Statement of Truth

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



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Signed..

GRO-C

Dated.....

6 July 2022