

DRAFT LETTER TO SUNDAY TIMES

Dear Sir,

John Davison's article last Sunday claimed that payment of the £42m to the haemophiliacs tragically infected with the AIDS virus had been delayed by government "red tape and legal wrangling". I am writing to set the record straight. Far from trying to delay payments, government lawyers and departmental colleagues have been working intensively for many months to conclude the details of the settlement and to enable the payments to start. But this is a complex settlement and both sides, understandably, are keen to get it right.

The article makes two specific allegations: that the government is reneging on its promise that payments would not affect entitlement to social security benefits; and that departmental lawyers were asking for unnecessary evidence to support individual claims. On the first point, we have honoured in full the commitment that payments to haemophiliacs and other beneficiaries will be totally ignored for social security purposes. Money left by haemophiliacs to their partners and dependent children will be similarly treated. We have also agreed to a recent request from the solicitors representing the haemophiliacs for special provision in the case of parents inheriting from a child haemophiliac. All in all, the proposed treatment of social security benefits is generous and goes beyond the original commitment.

On the second point, the settlement allows for payment at different rates according to whether the haemophiliac is an adult or a child, single or married, with or without children etc. We made it clear some months ago that we would be looking to the plaintiffs' solicitors to tell us which plaintiffs fall into which category. [Far from requiring excessive detail, we are asking only for informal information and the minimum necessary to ensure that the right payments can be made.]

I am glad to say that these points have now been largely resolved. We are keen to see the settlement concluded as soon as possible. Given the good-will that exists on both sides I am sure that the payments can begin very shortly.