

Witness Name: Ms Ann Lloyd

Statement No: WITN5257002

Exhibits: WITN5257003 to

WITN5257007

Dated: 22 September 2021

INFECTED BLOOD INQUIRY

SECOND WRITTEN STATEMENT OF ANN JUDITH LLOYD

I, Ann Judith Lloyd, will say as follows: -

1. I provide this statement in response to a request under Rule 9 of the Inquiry Rules 2006 dated 20 April 2021.

Section 1: Introduction

2. I am providing this statement in respect of the action I took as Head of Health and Social Care, Welsh Assembly Government/CEO NHS Wales relating to the establishment of the Skipton Fund in 2004.
3. I have had to rely on the assistance of the Welsh Government and their advisors to recover documents which I have used to inform my answers, given the passage of time. I am very grateful to them for their co-operation in releasing the necessary paperwork, which I also enclose for your reference.

Question 1 – Please describe your role, and the functions you performed in the post, first as the Welsh Assembly’s Director General for Health and Social

Care and second, as the Welsh Assembly Government's Chief Executive of NHS Wales insofar as relevant to the Inquiry's Terms of Reference.

4. I enclose a copy of the brief outline of the role that I undertook during the majority of my employment with the Welsh Assembly Government (WAG) from 2001 to 2009. It describes clearly my responsibilities and accountabilities; details varied over time in terms of staff numbers and the size of budget responsibility but, in reviewing it, I consider that it reflects the broad scope of my roles.
5. I was first appointed as the Director of Health Services Policy in 2001; this role was then, within a short time, extended to, firstly, the role of Director General Health and Social Care and then to DG Health and Social Care – CEO NHS Wales in 2003. Instead of being called by my grade – the WAG had 2 Directors General at the time of which I was one with the management of just over half the Welsh Government's budget – my title by choice was Head of Health and Social Care – CEO NHS Wales.
6. The split of responsibility within the role was –
 - i. as DG to act as the principle policy advisor for health and social care to the Cabinet of the WAG and the Permanent Secretary for the WAG (there was only one Permanent Secretary). Clinical advice was provided to my department by the Chief Medical Officer and the Chief Nursing Officer.
 - ii. as CEO NHS Wales – accountable for the performance of the NHS in Wales. I chaired various national committees and held to account all the accountable officers (CEO's) in Wales – of which there were a considerable number at that time.

Section 2: Establishment of Skipton Fund

Question 2 – At page 6 of WITN2050102, in response to question 22 from Glenn Wilkinson's list of questions he wished to raised at the Partnership Group meeting with Caxton Foundation, you note that "As the Director General for health and social services in Wales I was, together with my Ministers, party to the establishment of the Skipton Fund so I well understand the background

and its history.” Please could you explain your involvement as Director General in the establishment of the Skipton Fund?

7. Although the management of health and care and the determination of health and care policy had been devolved to the devolved administrations upon their establishment, meetings were still held between the respective Ministers; similarly the Directors General/relevant Permanent Secretaries routinely met to discuss the policies that the 4 nations were pursuing. As can be seen from the resultant policy framework and organization of care this did not mean that the devolved governments/administrations unilaterally followed the UK government lead. However where there were matters of mutual interest affecting a proportion of all their residents then the 4 nations would determine whether or not they would act as one. Such issues were discussed at Ministerial and officer meetings – both at head of department level and via divisional heads meetings (i.e. the next level down) as can be seen from the correspondence relating to the establishment of the Skipton Fund – copies of which I enclose. It was at the division/branch level with clinical advice that the details of any proposals would be developed.
8. As DG I would have known about the proposals to establish the Skipton Fund and I would have been kept apprised of developments through discussions and via the receipt of Submission Folders (SFs). It was for the division/branch heads to work out the detail of any proposal, following broad agreement of the Minister which I would have discussed with them; as accounting officer it would have been my responsibility to ensure that the MEG (Main Expenditure Group – i.e. the allocation of money to each department) could accommodate any subsequent financial consequences.
9. I was copied into the correspondence in respect of the scheme – as detailed –
 - SF/JH/5513/03 Hepatitis ex gratia fund/scheme. 17/12/03
 - SF/JH/237/04 Hepatitis ex gratia scheme. 30/03/04

- Letter to people who had expressed an interest in the development to Ministers or officials – from Caroline Lewis W040069 – Hit 23/01/04

I enclose copies of these documents.

10. I was therefore aware that the 4 administrations wished to proceed in tandem on the scheme to provide ex gratia payments to people affected by the receipt of infected blood under the definition. The WAG at the time was not contemplating any alternative position, to my knowledge, and Ministers agreed to act in harmony to establish the fund.

Section 3: Funding Arrangements

Question 3- What was the funding arrangement agreed between the Department of Health and the Welsh Government upon the establishment of the Skipton Fund in 2004?

Question 4 – In so far as the Welsh Government agreed to make a financial contribution to the Skipton Fund in 2004:

- a. Please explain your understanding of the basis upon which this was agreed.**
11. SF/JH/5513/03 provides details of the potential contribution of the WAG for the original scheme. The basis of the allocation is on the estimated number of potential recipients per country. The governments agreed to share the set up and running costs equally. The MEG made provision above the estimate due to uncertainties concerning the potential number of claimants who might present from Wales to the fund for support.
 12. The accuracy of the estimate is detailed in a paper relating to the review of the Skipton fund in ?2010 – unfortunately this paper is undated, unsigned and has no distribution list but I enclose it for information.
- b. Please address in particular your understanding of the rationale for the Welsh Government making a financial contribution to a scheme established by the Secretary of State for Health (United Kingdom) to make**

payments to individuals infected with hepatitis C through treatment with NHS blood or blood products, before the first phase of devolution via the Government of Wales Act 1998 had been introduced.

13. The rationale would be that if the WAG agreed to form part of a UK scheme then they would pay for the current needs of their population irrespective of when they became infected. The WAG made a provision in the 2004/2005 MEG to support its implementation.

Statement of Truth

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

Signed

GRO-C

Dated 28th September 2021.

Date	Notes/ Description	Exhibit number
02/05	Brief Outline of Role	WITN5257003
17/12/03	SF/JH/5513/03 Hepatitis ex gratia fund/scheme.	WITN5257004
30/03/04	SF/JH/237/04 Hepatitis ex gratia scheme.	WITN5257005
23/01/04	Letter to people who had expressed an interest in the development to Ministers or officials – from Caroline Lewis W040069	WITN5257006
undated	Briefing on potential financial implications of Skipton Fund	WITN5257007