Witness Name: Hazel Anne Blears

Statement No.: WITN6658001

Exhibits: WITN6658002-WITN6658030

Dated: 9 June 2022

INFECTED BLOOD INQUIRY

FIRST WRITTEN STATEMENT OF HAZEL ANNE BLEARS

I, **Hazel Anne Blears**, will say as follows: -

Contents

1. Section 1: Introduction

1.1. My full name is Hazel Anne Blears, my date of birth and address are known to the Inquiry. I am a qualified solicitor but these professional qualifications are not relevant to my work as a Government Minister.

1.2. I am providing this statement in response to a Rule 9 Request from the Inquiry dated 3 March 2022 ("the Request"). The Request referenced 104 documents about which specific questions were asked.

Background [Q2]

1.3. I qualified as a Solicitor in 1980, having started my professional training in 1978. I predominantly worked in Local Government, apart from a short period in private practice at the start of my career. From 1981 to 1983, I worked as a solicitor for Rossendale Borough Council, from 1983 to 1985 for Wigan Council, and as Principal Solicitor for Manchester City Council from 1985 to 1997.

1.4. Between 1984 and 1992 I was a Labour Council member for Salford City Council.

1.5. On 1 May 1997, I was first elected to the House of Commons as Labour MP for Salford. From 2010, following changes to the Parliamentary constituencies, I was elected as Labour MP for Salford and Eccles and remained its MP until 30 March 2015, when I did not seek re-election.

1.6. From December 1997 to October 1999 I was Parliamentary Private Secretary to Alan Milburn, firstly at the Department of Health, when he was Minister of State for the Health Service, and then at the Treasury, when he became Chief Secretary to the Treasury. From 11 June 2001 to 5 June 2009, I held various ministerial roles and these are detailed below.

Table 1 – Ministerial Roles

11 June 2001 – 28 May 2002	Parliamentary Under Secretary of State for Health
28 May 2002 – 13 June 2003	Parliamentary Under Secretary of State for Public Health
13 June 2003 – 5 May 2006	Minister of State for Policing, Security and Community Safety (Home Office)
5 May 2006 – 28 June 2007	Minister without Portfolio and Chair of the Labour Party
28 June 2007 – 5 June 2009	Secretary of State for Communities and Local Government

1.7. After leaving Parliament in 2015, I became a director of the Co-operative Group. Since 2020, I have served as a Social Value Specialist for the Nuclear Decommissioning Authority. I am also a Member of Council at Lancaster University.

Parliamentary Under Secretary of State for Health/Public Health [Q3]

1.8. The Inquiry requests a description of my roles and responsibilities in the Department of Health, insofar as they are relevant to the Terms of Reference.

1.9. As Parliamentary Under Secretary for Health (referred to in short as PS(H) in internal documents) (11 June 2001 – 28 May 2002) I was responsible amongst other matters for allied professionals including pharmacists, dentists, opticians, therapists etc. I supported John Hutton as Minister of State and Alan Milburn as Secretary of State. I do not recall being significantly involved in the subject areas of interest to the Inquiry during this period as they were within the portfolios of other junior Ministers in the Department. However, I would have signed some letters and undertaken some duties in the Commons (Parliamentary Questions ("PQs") and debates in this period when the other junior Ministers were not available). My letter to Jim Dobbin of 6 August 2001 is an example of this as Yvette Cooper was on maternity leave **[DHSC0038520_191]**. Similarly:

(1) On 16 October 2001, I responded to an oral PQ from Dr Brian Iddon MP on the national strategy for Hepatitis C **[DHSC0044630_235]**. This was again because Yvette Cooper was on maternity leave. Because this was not my subject area, I received a special briefing in advance of the PQ – see **[WITN6658002]** and **[WITN6658003]**.

(2) For the same reason, I responded to Gary Streeter MP for the Government in the adjournment debate on haemophilia in the Commons on 20 November 2001, **[DHSC0042461_136]**.

Issues related to the Inquiry were not within my portfolio of responsibilities at this time but I would have built up some understanding of them as part of the Ministerial team and particularly when covering for Yvette in oral contributions in the Commons while she was on maternity leave.

1.10. As Parliamentary Under Secretary of State for Public Health (PS(PH)) (28 May 2002 – 13 June 2003), I was responsible for: Public health; Public health protection and prevention; Cancer, including Cancer Taskforce; CHD and stroke, including CHD Taskforce; Tobacco; Health inequalities including Inequalities Taskforce; Drugs, alcohol and crime; Sure Start; Sexual health and HIV; Blood; Teenage pregnancy; International health business; Food Standards Agency; BSE and vCJD; Complementary and alternative medicine; and South regional work (taken from the 2003 Civil Service Yearbook).

Ministerial Colleagues in the Department of Health 2001 – 2003 [Q4]

1.11. I have been asked to identify the other Ministers within the Department of Health between 2001 and 2003.

1.12. When I was Parliamentary Under Secretary of State for Health (11 June 2001 – 28 May 2002), the Ministerial team comprised:

- Secretary of State: Alan Milburn
- Minister of State for Health: John Hutton
- Minister of State for Health Services: Jacqui Smith
- Parliamentary Under Secretary of State for Health in the Lords: Lord (Philip) Hunt.
- Parliamentary Under Secretary of State for Public Health: Yvette Cooper
- Parliamentary Under Secretary of State for Health: me

To my understanding, the Ministers involved in the relevant issues in this period were Yvette Cooper, John Hutton, Lord Hunt and Alan Milburn.

1.13. When I was Parliamentary Under Secretary of State for Public Health 28 May 2002 – 13 June 2003) the Ministerial team comprised:

- Secretary of State: Alan Milburn
- Minister of State for Health: John Hutton
- Minister of State for Health Services: Jacqui Smith
- Parliamentary Under Secretary of State for Health in the Lords: Lord (Philip) Hunt (to 17 March 2003) then Baroness Andrews;
- Parliamentary Under Secretary of State for Public Health: me
- Parliamentary Under Secretary of State for Health: David Lammy.

The Ministers involved in the relevant issues in this period were me, John Hutton, Lord Hunt and Alan Milburn.

Senior Civil Servants Involved in Blood Related Matters [Q5]

1.14. I have also been asked to identify senior civil servants involved during my time in decisions about blood and blood products, the assessment of the risks of infection arising from blood and blood products, and the response to such risks (including the provision of financial assistance to those infected), and in providing advice to ministers in relation to such issues.

1.15. Given the length of time that has passed since I was in the Department of Health, my recollection of the civil servants involved in matters related to blood is somewhat limited. However, I do remember Charles Lister, who was Head of Blood Policy (but was not at SCS level). I found him to be always very helpful, supportive and professional. Upon a review of the bundle of documents provided by the Inquiry, I note that at a more senior level to Mr Lister, Vicki King was involved, and more junior members of Mr Lister's team including Robert Finch (before he joined my Private Office), Jill Taylor (PH 6.6) and Zubeda Seedat (PH 6.6).

Memberships of Committees, Associations etc. [Q6]

1.16. I have been asked to set out my membership, past or present, of any committees, associations, parties, societies or groups relevant to the Inquiry's Terms of Reference, including the dates of my membership and the nature of my involvement.

1.17. I did not hold any relevant memberships, past or present of any committee associations, parties, societies or groups that are relevant to the Inquiry's Terms of Reference.

1.18. The Inquiry asks me about my *"... membership of The All Party Group on Haemophilia"* by reference to my letter to Paul Goggins MP, dated 20 August 2002 [**ARCH0002964_004**]. However, I believe this letter has been misunderstood, as I was not a member of the All Party Group on Haemophilia. In my letter, I then wrote, "*As a member of the All Party Group on Haemophilia you will be aware...*" I was referring to Paul Goggins being a member of the All Party Group on Haemophilia.

1.19. However, as a backbencher before my first Ministerial appointment, I did have some knowledge and involvement in the issues. Paul Goggins was a former colleague on Salford City Council, a fellow North West MP and he was passionate on these issues. Also, it was something my constituents raised with me and I raised with the Government on their behalf. On 31 July 2000 with fellow backbenchers Dr Doug Naysmith*, Michael Clapham (not John Gunnell, as incorrectly referenced in the draft meeting note), and accompanied by Dr Graham Foster (a member of 'C Change'), I had a meeting with Lord Hunt. The background to this was set out in draft meeting note:

> *"Hazel Blears introduced the subject, explaining that a constituent had brought her attention to this matter and that she had concerns over support mechanisms for sufferers, lack of counselling, a lack of confidentiality in the testing procedure, amongst other things. She felt that HIV was higher up the political agenda and had therefore received a great deal more attention than HCV and that HCV was missing out, even though there are high numbers of affected people.*
>
> *The discussion widened and brought out the following key concerns of the MPs:*
>
> (a) *Lack of awareness of HCV, related therapies etc by GP's*
>
> (b) *The lack of availability of a confidential testing procedure for HCV – currently many individuals do not want to admit to their GPs that they had previously been involved with drugs; the only way to obtain a HCV test without your GP finding out is to give blood, and be informed if your blood tests positive for HCV.*
>
> (c) *The lack of research initiatives in the UK into HCV and concern that a number of small [prevalence] studies [sic] will not pick up on the geographic pockets of the high- and low-density prevalence of HCV*
>
> (d) *NICE may not appraise the full range of necessary considerations around HCV diagnosis, prevention, therapy etc"*

[DHSC0041300_276]

I have seen some of the follow-up correspondence after this meeting which I was copied into: (i) letter of 17 August 2000 from Doug Naysmith to Lord Hunt: [**WITN6658004**]; (ii) letter of 4 October 2000 to Lord Hunt, [**DHSC0041300_248**].

Involvement in any other Inquiries, Investigations or Criminal or Civil Litigation [Q7]

1.20. I have been asked to confirm whether I have provided evidence to, or have 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") infections and/or variant Creutzfeldt-Jakob disease ("vCJD") in blood and/or blood products.

1.21. I can confirm I have not been involved in any related inquiries, investigations or criminal or civil litigation.

2. Section 2: The provision of financial assistance to people infected by blood or blood products

General

2.1. I have been asked if I was provided with any briefing when I first took office about:

(1) the circumstances in which thousands of people had been infected with HIV/HCV in consequence of treatment with blood or blood products;

(2) the Macfarlane Trust and Eileen Trust;

and if so, when did I receive my first briefing on these matters [**Q8**].

2.2. Since these issues were not within my areas of responsibilities as PS(H) when I first became a health Minister, I would probably not have been specifically briefed on them when I joined the Department in June 2001. As I have explained above, I had a level of background knowledge from involvement with Paul Goggins, and a limited amount of direct involvement specifically in relation to HCV, as a backbencher in the previous year.

2.3. When I took on the PS(PH) role from May 2002, I would by then have gained some further knowledge of the relevant issues from my 11 months as PS(H), particularly when covering correspondence, questions and debates for Ministerial colleagues. But in addition, I think I would have been briefed at that stage about the role of the Macfarlane Trust and the Eileen Trust as part of my new responsibilities as PS(PH). I was aware of the Trusts' role in supporting those who had been infected with HIV by blood and blood products. I understood their main role to be the provision of financial assistance to those affected. I cannot recall whether the briefing was in writing or verbal. If it was in writing, I have not seen any copy from the papers made available to me.

The Macfarlane Trust and The Eileen Trust

Involvement and Meetings with Trusts and Beneficiaries

2.4. The Inquiry has asked me to confirm what involvement I had with the Macfarlane Trust and the Eileen Trust in my role as Parliamentary Under Secretary of State. In particular, which issues required my involvement and what was the criteria for matters to be referred to me **[Q9]**.

2.5. I refer to my involvement with these organisations later in my statement. However, in general terms, I can confirm that I was kept informed by officials of developments on matters such as the funding level to support those affected. These would not, I think, have been in the form of updates at particular intervals. Rather, officials would raise matters when a Ministerial decision was required from me, where they judged Ministers needed to be informed of a particular development, or where it was necessary in order to answer a Parliamentary Question or correspondence.

2.6. I have also been asked how frequently I met with the chair and trustees of the Macfarlane Trust and the Eileen Trust during my time as Parliamentary Under Secretary of State, the reasons for the meeting, whether minutes were taken and if so, were these shared afterwards with the relevant Trust **[Q10]**. I was only PS(PH) for 12½ months. As discussed later in the statement, I met with the Trusts on 27 February 2003 and from the available records that appears to have been my only meeting with them. As would be expected, officials held more frequent meetings; there is reference in the correspondence to quarterly meetings between the Blood Policy Team and the Trusts.

2.7. The Inquiry asks what contact I had with beneficiaries of the Macfarlane Trust and Eileen Trust during my time as Parliamentary Under Secretary of State **[Q11]**. In that regard, I have been referred to a letter from Peter Stevens, Chairman of the Macfarlane Trust, dated 1 May 2003, and a letter of the same date from GRO-A **[DHSC6484485]**.

2.8. Briefings, meetings, correspondence and PQs all helped to draw Ministerial attention to the needs of the beneficiaries. Officials in the Blood Policy Team would have met with the Trust more frequently than Ministers and would have fed information from those meetings into submissions and updates for us as Ministers. In terms of meetings with the Trust Registrants, Ministerial meetings concerning the Macfarlane and Eileen Trusts had tended to be with the Trusts' senior members. The point that Peter Stevens was raising was that GRO-A GRO-A – a registrant member of The Partnership Group (the User Group made up of Trust registrants, the Trust and the Haemophilia Society) had just started to attend the quarterly meetings between the Trust and the Department's Blood Policy Team. Mr Stevens suggested that it would be helpful for me to meet GRO-A GRO-A as well, and GRO-A had written to request a meeting. I would have considered it a good idea to meet the Trust's Registrants so that I could be made aware of and understand their concerns directly and their challenges and priorities.

2.9. This letter came towards the end of my time as PS(PH). In the usual way, it would have gone in the first instance to officials for advice. From the available documents, it does not seem that the draft reply was raised with me before I moved posts and so it would have gone with advice for a decision by my successor, Melanie Johnson. Melanie Johnson replied on 21 September 2003 (see the response at [**DHSC6484481**] following advice dated 1 September 2003 [**DHSC0003271_010**] and response to the advice from the Private Office on 17 September 2003 [**DHSC6696465**]).

2.10. The Inquiry has also referred me to my letter of 21 January 2003 to Sylvia Heal MP [**DHSC0004029_231**]. This letter referenced the earlier meeting of 15 May 2002 that Yvette Cooper had attended when she was PS(PH) with Manor House Group representatives, Paul Goggins and Sylvia Heal herself. That was not a meeting that I was involved in. Nevertheless, it shows that the groups and MPs who had attended had been able to raise their areas of concern and I was updating Sylvia Heal on the issues that had been raised. From the letter it seems that Yvette Cooper had asked the Manor House Group to channel their points through the All Party Group on Haemophilia, to whom we would respond. I do not now recall the Manor House Group and I am therefore entirely dependent on the documentary record on this point.

Knowledge and Understanding

2.11. The Inquiry has asked me what was my knowledge and understanding of the needs of the beneficiaries of the Macfarlane Trust and the Eileen Trust during my time as Parliamentary Under Secretary of State [**Q12**].

2.12. The Inquiry has referred me on this topic to a briefing of 8 May 1998 from Christine Corrigan to Frank Dobson, who was the Secretary of State for Health at the time [**DHSC0014990_136**]. However, this was some three years before I became Parliamentary Under Secretary of State.

2.13. I did though however gain a knowledge and understanding of the needs of the beneficiaries from:

(1) Briefings and discussions with officials who themselves had more frequent meetings with the Trust than Ministers could;

(2) Meeting the Trust in February 2003 and the briefing for that meeting [**DHSC0003279_012**], which is referenced in the letter of 1 May 2003 from Peter Stevens, Chairman of the Macfarlane Trust [**DHSC6484485**];

(3) Through exchanges with Members of Parliament (correspondence and informally); and

(4) My discussions with Paul Goggins.

2.14. I have been asked if I was aware of any tensions between the beneficiary community and Macfarlane Trust and the Eileen Trust [**Q13**].

2.15. What stands out in my recollection is concern on the part of those infected with Hepatitis C that there was not a payment scheme established for them similar to the Macfarlane and Eileen Trusts for those who had been infected with HIV. I do not now have any specific recollection of concern between the beneficiaries of the Macfarlane and Eileen Trusts and the Trusts themselves. This was not a feature of the briefing for the meeting held on 27 February 2003, to which I return below. In general terms, if such concerns had been raised with the Department, I would have expected officials to consider them and work with the Trust in the first instance, and then report to us as Ministers as necessary.

Meeting Macfarlane Trust and Eileen Trust

2.16. The Inquiry notes that in October 2002, Peter Stevens, Chairman of the Macfarlane Trust, requested a meeting with me to discuss the Trusts and their funding **[MACF0000011_002]** **[MACF0000009_018]**. Mr Stevens' letter was sent on 7 October 2002 **[WITN6658005]**. Our meeting then took place on 27 February 2003. I am further asked the following **[Q14]**:

(1) If I met with Trusts on any other occasion;

(2) How I prepared for the meeting;

(3) My recollection of the meeting;

(4) What consideration was given by me and, to my knowledge, others within the Department to the proposals in the position paper produced by Mr Stevens? Which, if any, were accepted by me?

(5) Did the meeting lead to any change in Department policy towards the Trusts and if so what?

(6) Were minutes of the meeting taken?

2.17. The meeting that took place on 27 February 2003, was actually originally scheduled for 22 January 2003. This was rescheduled to 27 February 2003 (see **[DHSC0003280_007]** and **[DHSC0003279_012]**). This was the first time in a couple of years that a minister had been present at a meeting with the Trusts and the Department. Lord Hunt was the last minister to attend. For the reasons I have explained, this was the only time I met Peter Stevens and the Trusts.

2.18. I prepared for the meeting in the usual way. I read the briefing from officials and discussed the issues that were likely to be raised. The briefing for the re-arranged meeting shows that I had a meeting with officials (Charles Lister and Zubeda Seedat) at 11am on the day of the meeting. I was keen to thank the Trusts for the work they were doing in supporting those who had been affected. The written briefing was sent to my Private Office on 25 February 2003 [**DHSC0003279_012**]. Attached to this briefing were:

(1) Annex A – A summary of key points for the meeting, supplied by Peter Stevens [**MACF0000009_018**]

(2) Annex B – Key facts [**DHSC0003280_002**]

(3) Annex C – Biographical Details [**DHSC0003280_003**]

2.19. Given the length of time that has passed, I have only a vague recollection of the meeting aided by the documents supplied, but not of the specific issues discussed or the responses given. I would have expected minutes of a meeting of this kind to have been taken by the Departmental officials attending but I understand that none are available from the searches of the retained documents.

2.20. The Trusts' "*Key points for meeting with Hazel Blears*" document, emphasised, amongst other things, the significant effect of increased life expectancy making greater demands on the Trusts' funds. The key points summary set out for each Trust what the Trustees were looking for [**MACF0000009_018**]. For the Macfarlane Trust, this was:

> *"- re-affirmation that Trust's registrants and their families remain a special case*

> *- assurance of ongoing Government support for work of Trust*
>
> *- possibility of review of funding rate following review of needs being undertaken this year."*

For the Eileen Trust, this was:

> *"- re-affirmation that Trust's registrants and their families remain a special case*
>
> *- assurance of ongoing Government support for work of Trust"*

2.21. I do remember that part of the reason for the meeting was to tell them in person of the significant increase in the funding allocation for the Trusts. The briefing from officials indicated that annual payments from DH funds was currently at £2m per annum but the Trust was spending at a rate of £3m per annum. In the Spending Review 2002, £3m had been secured for 2003/04; £3m for 2004/05 and £3.05m for 2005/06 [**DHSC0003279_012**]. I understood, therefore, that the funding to be provided would meet the Macfarlane Trust's current expenditure so that it should no longer be depleting its capital holdings and this was a significant increase on the original allocation. But I would have recognised that it would not meet all of their expectations for future developments. In that regard, Mr Stevens had referred to the review of needs that was being undertaken that year. My briefing materials referred to the fact that a three-yearly assessment of registrants' needs had been agreed and that Mr Stevens would probably suggest a further meeting with me when the first of those reviews was completed.

2.22. In relation to the Eileen Trust, I was advised that the position was more straightforward in that there had been a top-up of funds a year previously and its current funding was sufficient until at least 2006/07 and there was no difficulty in giving commitment to supporting the work of the Trust in the future.

2.23. To my recollection there was no change of policy as a result of the meeting of 27 February 2003 but the increased funding would have been communicated to the Trust together with the assurance of future funding. This would have been coupled with the fact that the Department considered that the spending of the Trust would need to be kept in line with the annual payments now being supplemented by any investment income: see the lines to take for the meeting in the briefing provided to me.

2.24. Following the meeting, Mr Stevens wrote to me saying:

> *"We were greatly heartened to receive the assurance of the Government's continued commitment to the Trusts, and I know that all my fellow Trustees will also greatly appreciate the kind words you said about them. The certainty of the financial commitment over the next 3 years will also enable us to plan with greater confidence the development of our support for our registrants and their families.*
>
> *As I said at the meeting, we have found Charles Lister and his team consistently helpful and patient; having now had the pleasure of meeting you, I can fully understand why this working relationship between The Department and the Trusts has become so straightforward."* [**DHSC0042275_042**].

2.25. The Inquiry has asked about my understanding of the process by which the funding allocations were set for the Macfarlane Trust and Eileen Trusts and my role as Parliamentary Under Secretary of State in making those decisions; and to what extent did Government consider representations made by the Trusts [**Q15**]. The Inquiry has referred me to:

(1) The same summary of key points for the meeting supplied by Peter Stevens as referred to at paragraph 2.18, above [**MACF0000009_018**];

(2) The briefing for my meeting with the Trusts on 27 February 2003 as referred to at paragraph 2.18, above [**DHSC0003279_012**].

(3) An undated information page on Eileen Trust which I understand dated from the same time as the briefing papers for the meeting on 27 February 2003 [**EILN0000013_300**].

2.26. By this stage, the Trusts' capital reserve funding (for the avoidance of doubt, not Government capital funding) had moved to a three-year review cycle. My understanding was that consideration was given to the increased demands on the Trusts from beneficiaries. The increased spending was an acknowledgment that the circumstances had changed from when the Trusts were first established. The Department would have taken representations made by the Trusts into account when making a bid for funding in the Spending Review. The results of the Spending Review 2002 became available some time before the February 2003 meeting which is why I was able to confirm the next three years' funding. But I expect that the bid for that funding would have had to have been entered before May 2002 when I became PS(PH); the documents made available to me do not include any relating to the bid for funding that was made. So, I cannot speak to the exact process or who would have formulated and who would have signed the bid off. The factual reality was such that more people were living longer, had more dependants and greater needs. Therefore, it was no surprise that the Trusts were making the relevant representations for increased funding and being a voice for those affected. That is why I was pleased that there was an increase in funding to meet their expenditure at the time.

2.27. The Inquiry ask about my understanding of the term "tight rein" in Charles Lister's covering note for the meeting, where he said:

> *"We have not told the Trust about their central funding allocation for the next three years - £3m/ £3m/ £3.05m - so you will be able to give Peter Stevens the good news. This will align DH central funding with current Trust expenditure but keep them on a tight rein over the next three years."* **[DHSC0003279_012] [Q16]**

2.28. I would have understood the term “tight rein” to have meant ensuring a prudent fiscal policy with respect to meeting people’s needs. The briefing under the covering note made clear that the Trust’s Spending at c. £3m pa had been exceeding its income of c. £2m pa. The funding over the next three years was increased by 50% and permitted the Trust to maintain its current level of (above – income) expenditure. The ‘tight rein” referred to, I think simply the expectation that the Trust would spend within its annual allocation in the Spending Review settlement, supplemented by any investment income, now that there had been a significant increase in its annual funding.

2.29. I have also been asked whether I considered the Macfarlane Trust to be adequately funded or was I concerned that it was underfunded **[Q17]**. As I have indicated, the Trusts had received a 50% increase in funding. This increase was in recognition that the needs of the beneficiaries had increased as a result of people surviving longer, having more dependants and the resulting changing family circumstances. Funding was now on a three yearly cycle and the briefing materials show that future increases would be considered on the basis of assessment of registrants’ needs, the first of which had not been completed at this stage and was not completed until October 2003. Resources are always finite and balancing needs against available funding is a constant challenge for all Governments.

Appointments of Trustees/Directors of the Trustees of the Macfarlane and Eileen Trusts

2.30. I am asked to comment on the appointment of former Department officials, Patrick Spellman and Roger Tyrell, to serve as Trustees on the boards of the Macfarlane and Eileen Trusts. In particular the Inquiry asks about my involvement in the process of their selection and recruitment (and the selection of other Trustees more generally) and the grounds on which they were selected **[Q28]**.

2.31. On 8 May 2002 Robert Finch had put a submission to my predecessor Yvette Cooper on these appointments and the re-appointment of Dr Winter for a further term **[DHSC0002961_013]** **[WITN6658006]**. This submission noted that the Trustee posts had not been advertised publicly on grounds of proportionality and that the Trust had recently said that they wanted the practice of the appointment of retired civil servants to the non-professional Trustee posts to continue as they valued the experience they could bring.

2.32. In response to this submission, Yvette had raised concerns which are apparent from an email chain starting on 21 May 2002 **[WITN6658007]**. Her Private Office said that she:

> *"… was happy with the re-appointment of Dr Winter and the letter has been sent to him, However, she is concerned about the rationale behind the other two recommendations, which seems a bit like an 'old boys network', especially as they are all male. She has asked who within the Trust has stated that they would like the reliance on retired civil servants to continue."* **[WITN6658007]**

2.33. Robert Finch replied on the same day explaining that it was both the Chair and Chief Executive of the Trust who were very keen on the appointment of former civil servants to the relevant Trustee posts as they provided specific experience that complemented the background and expertise of other trustees **[WITN6658007]**. He explained that the Trusts and the Haemophilia Society were aware of the shortage of women as trustees and wished to encourage more women applicants of the right experience and qualifications. He said that the former civil servant recommendations had come from a mailing of all recently retired senior DH and NHS employees; that all those who expressed an interest were interviewed and that, unfortunately, this only included one woman who did not perform well at interview.

2.34. From the email chain, Yvette remained concerned. Her Private Office said that she:

> *"… is still concerned about the process behind these appointments (though not the individuals concerned). Who decide that these posts should be recruited from former civil servants? Is there any standard guidance? Is Nigel Crisp's office content that due process is being followed?"* **[WITN6658007]**

2.35. This exchange was taking place in the week before I took over from Yvette as PS(PH).

2.36. On 28 May 2002, the day that I took up the post of PS(PH), Mr Lister minuted the Permanent Secretary (Nigel Crisp) on the concerns that Yvette had raised, and this was copied to Alan Milburn's Private Office and to my Private Office **[DHSC0002960_012]**.

2.37. Mr Lister set out the history and the concerns that had been raised, noting that Yvette had asked for a view from Nigel Crisp on whether the appointments process had been fair and proper. Mr Lister set out at paragraphs 6-7 of the submission why the Trusts had valued Trustees with wide experience of DH and the NHS and the Trust remained keen to appoint former DH/NHS officials to the two vacancies. He then set out how the vacancies had been trawled and the interview process that had taken place. Mr Lister concluded his minute by inviting the Permanent Secretary to advise me that, on the basis of the evidence presented "*the exercise was fair and proper, that due process was adhered to and that, in your opinion, there is no obstacle to the appointment of the two recommended candidates*". Mr Lister concluded:

> *"10. We are confident that:*
>
> - *the decision to limit candidates to former senior civil servants was reasonable given the request from the Chair and Chief Executive of the two Trusts;*
> - *the candidates were selected in as fair [and] open a way as possible e.g. by issuing an open invitation to apply to all eligible candidates…;*

> - *the appointments process was carried out in line with the relevant DH guidance on appointments to public bodies.*
>
> *Are you content to advise PS(PH) that, on the basis of the evidence presented to you, the exercise was fair and proper, that due process was adhered to and that, in your opinion, there is no obstacle to the appointment of the two recommended candidates?"*

Nigel Crisp responded on 5 June 2002 via his Private Office who emailed Mr Lister (copied to my Private Office):

> *"Nigel Crisp was grateful for your submission dated 28 May. He is content that, on the basis of the evidence presented to him, the exercise was fair and proper, that due process was adhered to and that, in his opinion, there is no obstacle to the appointment of the two recommended candidates."* **[WITN6658008]**

2.38. On 6 June 2002, my Private Secretary provided me with a handwritten note **[WITN6658009]**:

> *"Hazel,*
>
> *Are you content to sign these two appointment letters? Yvette was concerned that appointing male ex-civil servants looked a bit too like an 'old boys' network'. We have now had re-assurance that Nigel Crisp is content that the process was fair & appropriate to the posts. The Trusts provide help to people who have contracted HIV through contaminated blood products."*

On 16 June, I initialled this with a tick and *"OK"*.

2.39. Shortly afterwards, I would have then signed the invitation letters to Mr Tyrell and Mr Spellman which were dated 19 June 2002 **[DHSC0002960_008]**, **[DHSC0002960_007]**.

2.40. So far as I can tell from the papers made available to me, my next involvement in Trustee appointments was in late December 2002 / January 2003. On 23 December 2002, Zubeda Seedat minuted me regarding further Trustee appointments **[DHSC5313118]**. I was invited to reappoint Elizabeth Boyd to a two-year term as trustee to the Macfarlane Trust; and to appoint Patrick Spellman and Roger Tyrrell (who – as above – had been appointed as Trustees to the Macfarlane and Eileen Trusts in June 2002) to also be Trustees of the Macfarlane (Special Payments) (No. 2) Trust.

2.41. Concerning the re-appointment of Elizabeth Boyd, I was advised that the Chair of the Macfarlane Trust had indicated that he would like her to be reappointed for a further term; her experience was briefly summarised and I was told that she had been an excellent Trustee for the Trust and was willing to serve one more term.

2.42. Concerning the appointment of Patrick Spellman and Roger Tyrrell to the Macfarlane (Special Payments) (No 2) Trust, the background to that Trust was briefly explained. I was advised that the duties were extremely light and that a number of the trustees for the Macfarlane Trust were also trustees of the No. 2 Trust.

2.43. On 9 January 2003 Robert Finch (who by now was working on a temporary basis in my Private Office rather than in the blood team) added a short-handwritten summary of the submission **[DHSC0042275_099]**. The note stated:

> *"You are asked to reappoint Elizabeth Boyd as a Trustee of the Macfarlane Trust which makes payments to Haemophiliacs with HIV from contaminated NHS blood. She is an excellent trustee.*
>
> *You are also asked to appoint the two new trustees appointed June 2002) to an associated Trust which makes payments in settlement of*

> *litigation against the Department. This Trust is rarely needed these days. It was an oversight on their original appointment that they were not appointed to this Trust. Draft letters attached.*
>
> *You are meeting the Macfarlane Trust later in January."*

I endorsed this note with a tick and "OK" and my Private Office communicated my decision [**WITN6658010**]. I subsequently signed the relevant appointment letters. [**WITN6658011**]; [**WITN6658012**]; and [**WITN6658013**].

2.44. Returning to the issues raised by the Inquiry about the appointments process:

(1) I am reminded by reviewing these documents that Ministers had a role in the appointments process for the Trust because some of the Trustees were Secretary of State nominations;

(2) Ministers' personal role in the appointments process was, however, limited and we were essentially asked to approve the selection of Trustees after officials had liaised with the Trusts and identified those they considered to be the best candidates.

(3) The basis upon which Mr Spellman and Mr Tyrell were put forward for appointment was set out initially in the submission to Yvette Cooper on 8 May 2002 [**DHSC0002961_013**] and then in Mr Lister's submission to Nigel Crisp of 28 May 2002 [**DHSC0002960_012**]. As to this:

  (i) Shortly before I took on the PS(PH) role, Yvette Cooper had rightly raised a question about the nomination of two male former civil servants for the roles.

  (ii) The information provided in response indicated that:

    - The Trust did genuinely value the experience of former Civil Servants serving as Trustees and had positively asked for this to continue (this came from both Chair and Chief Executive);

- Although the posts had not been publicly advertised, it had been trawled by communication to all suitably senior recently retired civil servants and NHS Staff;
- The sole female applicant had not performed well at interview;
- The Trust were themselves aware of the need to increase female representation; and
- The Permanent Secretary – having been alerted to Yvette Cooper's concerns – had confirmed that the exercise was fair and proper, that due process was adhered to and that, in his opinion, there was no obstacle to the appointment of the two recommended candidates.

(iii) Against that background, I was content to approve their appointment and did so on 16 June. It seemed to me that Yvette had been right to raise the challenge that she did but that there was a satisfactory explanation and response.

(4) The Inquiry asks what qualifications potential trustees needed to possess in order to be deemed suitable for appointment as a trustee. I was not involved in assessing the candidates or the selection exercise. However, it is apparent from the documents that for the Secretary of State nominated posts involving former civil servants, those who had been contacted were Senior Civil Service grade recent retirees from the DH or NHS. They were interviewed and assessed against the criteria set out at Annex B to the 8 May 2002 submission, which were as follows:

> *"You must:*
>
> *• demonstrate a commitment to the Trust and to the welfare of its beneficiaries;*
>
> *• be prepared to accept the legal duties, responsibilities and liabilities of trusteeship;*
>
> *• be committed to the public service values of accountability, probity, openness and equality of opportunity;*

> • *demonstrate sound, objective and independent judgement and an ability to think both strategically and laterally;*
>
> • *be a good communicator with plenty of common sense;*
>
> • *be able to give on average a day a month to attend meetings, read papers etc;*
>
> • *recognise and accept the need for absolute confidentiality at all times in any matters connected with the Trust and its beneficiaries."* **[WITN6658006]**

The reasons why Mr Tyrell and Mr Spellman were judged to have come out ahead of the other candidates was summarised in the submission of 8 May 2002.

(5) The Inquiry asks about my understanding of why the Department had a hand in the selection of trustees for the Macfarlane Trust and Eileen Trust given their status as independent charities **[Q29]**. This was an arrangement that appeared to have been settled long before I was a Minister. My understanding based on the submissions I received was that the Senior Trustees wanted people with experience of DH and the NHS. These groups were spending significant amounts of public money; it was important to have knowledgeable and capable people involved.

Consideration Given to Setting Up a Payment Scheme

2.45. I have been asked by the Inquiry what involvement I had with decision-making regarding whether or not to provide financial assistance to haemophiliacs infected with HCV or to others infected with HCV as a result of treatment with blood or blood products **[Q18]**.

Background documents referenced by the Inquiry

2.46. The Inquiry has referred me to various documents and correspondence regarding the compensation scheme for Hepatitis C in Scotland and the

Government's consideration of whether to introduce a similar scheme in England. First, by way of background, I am referred by the Inquiry to:

(1) A submission from Mr Gutowksi to Dr Reid, dated 15 July 2003 **[DHSC5110388]**;

(2) A briefing pack dated 8 September 2003 for answering an oral PQ from Lord Morris in the Lords **[DHSC0006217_027]**

While I have considered these documents, they both post-date my time as PS(PH) and relate to the later stage where Ministers had decided that there would, after all, be a Hepatitis C payments scheme in England. I am also referred to an email chain that spans from 30 January 2003 to 21 July 2003 **[DHSC5110387]** which, where relevant to my time as PS(PH), I have referred to below.

Response to Gary Streeter MP in the Debate on 20 November when I was still PS(H) [Q19]

2.47. The Inquiry refers to my response to Gary Streeter in the Adjournment Debate on 20 November 2001 **[DHSC0042461_136]**. I am also referred to:

(1) Charles Lister's submission to John Hutton dated 12 November 2001 **[DHSC0004601_021]**. My Private Office was not copied into this submission;

(2) my written answer to a parliamentary question from Stephen Hesford (9 July 2002) **[DHSC0041332_191]**;

(3) an email from Charles Lister to Sandra Falconer on 28 October 2002 **[SCGV0000254_078]**.

2.48. As I have explained at paragraph 1.9(2) above, my contribution in responding to Gary Streeter was effectively as a stand-in for Yvette Cooper, who was on maternity leave. As I was at that time still in the PS(H) role, I do not think I would have been closely involved at that stage with the decision-making on whether a payments scheme should be introduced for those infected with HCV; this was being considered by my Ministerial colleagues. That is evident from the following examples:

(1) On 2 July 2001, a submission had gone to Yvette Cooper on the issue: [**DHSC0041379_177**]; [**WITN6658014**]. The submission was copied to the Secretary of State's Office, but not to mine.

(2) A further submission went to Yvette on 19 July 2001 [**WITN6658015**]. Again, this was addressed to Yvette and copied to the Secretary of State's Office, but not to mine.

Once Yvette had gone on maternity leave, John Hutton as one of the Ministers of State was then addressing the issue. See:

(a) The record of a meeting that John held with officials on 12 September 2001 [**WITN6658016**].

(b) The submission to John Hutton of 12 November 2001, [**DHSC0004601_021**].

(c) John's response on 13 November 2001 [**WITN6658017**]. He indicated that he agreed with the recommendation to hold the policy line that no payments would be made in respect of Hepatitis C infection through blood and blood products except where awarded by the Courts.

(Again, my Private Office was not copied into these because it was now being handled by John Hutton, with the Secretary of State being copied in).

(d) John's response to the debate in the Commons on 14 November where on compensation, he said:

> *"The issue of compensation was raised. I, personally, found that the most difficult decision of all. We have listened carefully to arguments for a special payments scheme for people with haemophilia and hepatitis C similar to that in place for HIV. After a long and difficult consideration, we came to the same conclusion as the previous Government, that such a scheme should not be established. That was not a view we came to lightly.*

> *I assure my hon. Friend the Member for Bolton, South-East that every one of my colleagues who considered the issue and met individuals affected by this tragedy found it a difficult decision to make. As I said earlier, as soon as technology became available to render blood products safe, it was introduced. The policy of successive Governments has been that compensation, or other financial help to patients, is paid only when the NHS or individuals working in it are at fault. I do not believe that the NHS has been at fault in this case.*
>
> ….
>
> *The issue of compensation has been widely debated in the House. I know that some hon. Members take a different view, which I respect, but it is not the view that the Government have come to. However, we intend to develop options for reforming the system for dealing with clinical negligence claims. As my right hon. Friend the Secretary of State for Health announced on 10 July, we will produce a White Paper on that subject early next year. The chief medical officer is chairing an expert advisory committee to explore the issues and options, one of which is whether no-fault compensation for NHS patients may be appropriate in future."*
>
> [**Hansard HC Deb 14 November 2001, vol. 374, col. 290WH-291WH**].

2.49. I set the above out to explain the context to my contribution in the House on 20 November 2001. In response to Mr Streeter on that occasion, I was essentially setting out the Department's (and the Government's) position which my Ministerial colleagues had been considering and had decided must remain to hold the line against HCV payments. I said that:

> *"I am afraid that my response on compensation will be disappointing. As the hon. Gentleman said, successive Governments have considered the matter and established the principle that compensation*

> *payments are made when the NHS has done something wrong. Whether such actions fit the technical definition of negligence, the principle is that compensation is paid only when the NHS is at fault. The hon. Gentleman highlighted the issues of HIV and CJD compensation.*
>
> *Those cases were truly exceptional and have been considered in depth. In the late 1980s, HIV had a vast and dramatic effect: it carried huge stigma, no treatment was available and sufferers almost invariably died of AIDS-related diseases. The prognosis for people with HIV at that time was virtually nil. The circumstances were therefore exceptional, and it was in that context that the Macfarlane Trust was established and payments made. The circumstances of and background to variant CJD are also exceptional. Such circumstances do not change our long-standing policy on compensation for injuries caused by the NHS: the hon. Gentleman said that he understood the logic and reasoning behind that policy. I understand his strength of feeling on the matter, but I cannot say that there will be any change to the position."* [**DHSC0042461_136**]

2.50. Also, by reference to my response to Mr Streeter on 20 November 2001, the Inquiry asks what the rationale was behind rejecting calls to set up a payments scheme and to what extent I agreed with it [**Q19**]. The rationale for not setting up a compensation scheme for those with Hepatitis C was that there had been no fault on the part of the NHS, action had been taken to screen blood products as soon as the technology became available and there was no precedent for accepting liability without fault. The position was different for those infected with HIV where stigma was huge, life expectancy very low and whose prognoses were dramatically worse. The scheme for those infected with HIV administered through the Macfarlane and Eileen trusts was one of financial assistance rather than compensation. This, of course, was a very difficult position for those with Hepatitis C to accept. Due to the numbers of people involved, the costs of compensation to both of these groups (i.e. those infected through blood products and those infected through blood transfusions) would have a significant impact on the wider provision of healthcare. I understood the difficulty of balancing the competing issues and that it was a difficult decision to make. As I have indicated, at this stage in the Autumn of 2001, I was not involved in the decision making (though I would have been aware of the line being taken) as it was being handled by other Ministers.

Charles Lister's Submission of 8 May 2002 [Q20]

2.51. The Inquiry refers me to a submission dated 8 May 2002 from Charles Lister [**DHSC0041379_025**] (submission), [**DHSC0041379_026**] (Annex A), [**DHSC0042461_030**] (Annex B) and [**DHSC0042461_031**] (Annex C). As the Inquiry will appreciate, this was a submission to Yvette Cooper who was still PS(PH) at that time. It was not addressed to me, nor was it copied to me at the time. The submission was in contemplation of a meeting that was due to take place the following day between Charles Lister (and possibly other officials) and Yvette to discuss the haemophilia and Hepatitis C compensation / public inquiry issues. I would not have been at that meeting. The issues that were going to be discussed were apparent from the introduction to the submission:

> *"1. We are meeting on 9 May at 5.30 to discuss handling the haemophilia & hepatitis C compensation/public inquiry issue, in particular:*
>
> *• Lord Owen's claim that officials failed to honour his pledge to Parliament on UK self-sufficiency in plasma products;*
>
> *• the meeting with the Manor House Group on 15 May;*
>
> *• the Haemophilia Society's request for a meeting to present new proposals for financial recompense for haemophiliacs with hepatitis C;*
>
> *• the request by Michael Connarty MP to see the papers considered by Frank Dobson when he reviewed the compensation issue in 1997/98.*
>
> *2. You should also be aware of a shift in thinking by Scottish Ministers who we understand are now looking for a way a way of providing haemophiliacs with hepatitis C with some kind of financial package."*

2.52. The point which the Inquiry raises with me concerning this submission is the query that had been raised of Yvette Cooper by Michael Connarty. The issue was that Mr Connarty had made a request to see the papers from when Frank Dobson had reviewed the policy on Labour coming to power after the 1997 election, under the assumption that this had been a detailed analysis. Mr Lister was alerting Yvette Cooper to the facts that:

(1) The earlier decision of Frank Dobson had not been based on a detailed analysis of an HCV scheme but focussed on the concern that it would open the flood gates to further claims; and

(2) The debate that had taken place (which was summarised in a chronology at Annex B to the submission) showed that Frank Dobson had initially been sympathetic to having a scheme limited to haemophiliacs but that Baroness Jay (the Minister in the Lords) and Officials had persuaded him out of this. In other words, releasing these papers would reveal that there had, at least initially, been a difference of view between Ministers.

Mr Lister's recommendation to Yvette Cooper on this aspect was to consider writing to Michael Connarty *"... explaining that the decision was taken after a discussion on the principles and wider implications of offering a scheme rather than on the basis of a detailed analysis of costings etc."*

2.53. The Inquiry further refers me to:

(1) An internal Haemophilia Society memorandum dated 25 July 1997 with draft paper in preparation for their meeting with Frank Dobson [**HSOC0026493**];

(2) Haemophilia Society special briefing for meeting with Mr Dobson on 10 September 1997 [**HSOC0014405**];

(3) Briefing dated 8 September 1997 from Christine Corrigan to Mr Dobson for the meeting on 10 September 1997 [**DHSC0003883_048**], and

  (a) Appendix A to the above submission, 'Compensation for Haemophiliacs infected with Hepatitis C' [**DHSC0003883_050**];

(b) Appendix D to the above submission, 'Compensation for non-negligent harm in clinical treatment' **[DHSC0003883_052]**;

(4) Further briefing to Mr Dobson from Christine Corrigan dated 8 May 1998 **[DHSC0014990_136]**, and

(a) Appendix A to the above submission **[DHSC0003883_016]**;

(b) Appendix B to the above submission **[DHSC0014990_243]**;

(5) Another copy of the same submission with handwritten advice to Mr Dobson (the author of which I cannot ascertain from the document alone) **[DHSC0042287_111]**.

2.54. Turning to the questions raised of me by the Inquiry on Mr Lister's submission of 8 May 2002:

(1) It seems to me that the Inquiry may have raised this issue with me under the misapprehension that the submission came to me, whereas in fact it went to my predecessor Yvette Cooper. While I took over the PS(PH) brief about three weeks later, I do not recall the issue about the level of detail concerning Frank Dobson's earlier consideration of HCV, or the release of papers in relation to it, having been raised with me as an issue.

(2) I was aware that successive Governments had declined calls for an HCV payment scheme and I would have been aware that this included our Labour administration that had come to power at the 1997 election. However, I have no recollection now of being aware of the level of detail set out in Annex B to Mr Lister's submission of 8 May 2002. In broad terms that summary indicated that Mr Dobson had been sympathetic to a form of payment scheme but that Baroness Jay, the Permanent Secretary (Chris Kelly) and Deputy Chief Medical Officer (Dr Winyard) had all raised concerns; and that following a meeting between Mr Dobson and Baroness Jay, Mr Dobson had then ultimately decided against a payments scheme.

(3) I can see that there was some reference to Mr Dobson's review of the policy in a subsequent briefing for PQs but this did not go into detail about

Mr Dobson's views or those of Baroness Jay. For example, on 6 January 2003, I was sent a proposed briefing for an Oral PQ that Lord Hunt would be covering in the Lords on 13 January. There was limited reference to Mr Dobson's review at page 20 in the internal pagination of this briefing **[DHSC000626_059]**. See, similarly, my letter to Paul Goggins of 20 August 2002 to which I have referred at paragraph 2.64, below.

(4) I do not know whether papers were provided to Mr Connarty. From my general experience, I doubt that they would have been because discussions between Ministers on the formulation of Government policy would have been caught by exemptions under the FOIA. From the papers available to me in preparing this statement, I cannot see that the question of release of papers from as recently as 1997 – 1998 was raised with me as an issue.

(5) I have detailed below the main aspects of my own involvement in consideration of whether there should be an HCV payments scheme. During my time as PS(PH), this was (or at least quickly became) an issue where the Secretary of State was heavily involved. The focus was on the current situation rather on what consideration had been given in 1997 - 1998 when Mr Dobson had been Secretary of State.

Proposals from the Haemophilia Society's Hepatitis C Working Party [Q21]

2.55. The Haemophilia Society provided the Department with a copy of its Hepatitis C Working Party's proposals in advance of my meeting with them on 12 June 2002. Their proposals are at **[HSOC0005927]**. The Inquiry has asked me a number of questions about the consideration given to these proposals.

2.56. The Inquiry asks if I responded to the report. I understand that a copy of a signed final response has not been found in the available documents. However, the response in unsigned but apparently final form (revised version sent to me on 16 April 2003) was in a letter to Karin Pappenheim as provided to me by the Inquiry **[DHSC5320618]**. I said as follows:

> *"I am writing to you about the Haemophilia Society's report on proposals for a financial assistance scheme for people with haemophilia infected with Hepatitis C through contaminated blood products.*
>
> *I am very sorry it has taken so long to respond to you but as you know I agreed at our meeting in June last year that we would thoroughly consider the proposals contained in your report. I realise that a great deal of time and effort went into the production of your comprehensive report and I found it extremely helpful to see a fully costed scheme.*
>
> *I do understand the difficulties faced by people with haemophilia and hepatitis C in their daily lives and I have every sympathy with people who suffer adversely as a consequence of medical treatment, not only with continuing health problems but also the financial problems that can arise. Your report contains a proposal, which would certainly ease many of these difficulties.*
>
> *My officials have looked at your proposed scheme in detail and have also looked at four other schemes set up for haemophilia patients, who were infected with hepatitis C. The Canadian scheme, on which your proposal is based, was limited to people who were infected with hepatitis C after it became possible to remove the virus from blood products. The scheme in the Republic of Ireland was set up in similar circumstances. Hungary has a no-fault compensation scheme for all people who have been damaged as a result of medical treatment and in Sweden payments are available from pharmaceutical companies but are limited to the social and psychological suffering the virus has caused and not for physical damage. None of the situations in these countries offers parallels for England as heat treatment to inactivate the virus in blood products was introduced by the NHS as soon as it was available.*
>
> *Consideration has also been given to the Vaccine Damages Payment Scheme and the Criminal Injuries Compensation Scheme. However,*

> *as you know both of these schemes are very different and were set up in very specific circumstances.*
>
> *I realise that your proposal could provide the basis for a modified scheme and have taken all of these factors into account when making my decision. However, I have reached the conclusion that there is nothing in the report, which changes the Government's longstanding decision on this issue. I know how disappointing this news will be for the Society and your members who continue to press for a payment scheme but I am unable to support this proposal.*
>
> *I was very pleased that we were able to find extra funding to provide recombinant clotting factors for all haemophilia patients and I also appreciate the input the Society is providing to the Department's Recombinant Clotting Factors Working Group. I hope that the Society will continue to work with the Department in the future.*
>
> *I am copying this letter to the Society's Chairman, Chris Hodgson and also to Lord Morris of Manchester, President of the Haemophilia Society and Michael Connarty MP, Chair of the All Party Group on Haemophilia."*

2.57. On 10 June 2002, Jill Taylor provided me with a covering submission and briefing ahead of the meeting of 12 June 2002: covering submission [**DHSC0041305_037**] with: Annex A was the report itself; Annex B, Compensation current lines to take briefing [**DHSC0041305_038**]; and background notes [**DHSC0041237_020**]. I was advised that the Society were aware that it had not yet been possible for the Department to analyse the report in any depth and that it had been provided to the Department's Economic Operational Research Branch for a view. The cost of the Haemophilia Society's proposed scheme as presented was £522.6 million over ten years. The submission and briefing gave me details on the current Departmental line against a payment scheme. They also made clear the developments in Scotland with the expert group that had been established there in response to the Scottish Parliament Health Committee's recommendation for no fault compensation for all those infected with HCV through blood. It noted that Scottish Ministers were under intense political pressure. The alternative handling options for the meeting were to adhere to the line that compensation was not payable or to agree to consider the report and reply in writing.

2.58. I have no detailed recollection of the meeting on 12 June 2002. However, it is clear from the subsequent correspondence that I made clear that the Society's report would be carefully considered. I would have expected a minute to be taken but I understand that a minute of this meeting has not been identified in the available papers nor has the Inquiry supplied me with one.

2.59. In terms of the chronology that followed,

(1) In general terms, the timing of our response to the Haemophilia Society became intertwined with the developments in Scotland and our reaction to them (I refer to those developments in answer to the Inquiry's later questions below).

(2) On 10 July 2002, Karin Pappenheim wrote to me seeking a following up meeting between DH officials and the Society's own experts. **[DHSC0042275_197]**. (This letter may also have been further provided by Lord Morris under cover of his letter dated 15 July 2002 although that may have been referring to a different letter **[DHSC0042275_196]**)

(3) I responded to Richard Spring MP in an Adjournment Debate in the Commons on 22 October 2002 **[HSOC0011088]**. During the course of my response, I made clear that we were currently giving the Haemophilia Society proposals careful consideration while also noting the Government's current position:

"I move on to compensation. Haemophiliacs infected with hepatitis C have been campaigning for compensation for a number of years. They have put forward a proposal for a scheme that amounts to about £500 million over 10 years. That was submitted early this year by the Haemophilia Society. We are currently giving the proposal our detailed

> *consideration. There has also been a call for financial assistance in Scotland for all people infected with hepatitis C through blood. That has been discussed by the Scottish Parliament Health and Community Care Committee. The Scottish Executive is currently considering its response to that.*
>
> *The Government have listened carefully to all the arguments in favour of a compensation scheme, I am aware of the personal tragedy that is caused to those who find themselves in these circumstances. However, the fact remains that in the NHS compensation Is usually given only when either the NHS or those working in it have been at fault. That is where there has been some negligence and the damage can be attributed to it That is not the case with hepatitis C infection. We therefore do not believe that an exception can be made to the general rule in the case of people infected with hepatitis C The same conclusion was reached by the previous Government. They examined the issue in the mid-1990s and decided that it was not possible to depart from the general principle."* [**HSOC0011088**].

(4) On 5 November 2002, Mr Connarty wrote pressing for a further meeting between Departmental officials and experts from the Haemophilia Society's Working Group. He also asked for the results of the Department's own costings [**WITN6658018**].

(5) On 19 November 2002 I wrote to both Lord Morris and Karin Pappenheim indicating that I was continuing to consider the report and would respond as soon as I was able [**DHSC0042275_198**], [**DHSC0042275_199**]. On the offer of a further meeting, I made clear that officials were aware of this offer and would be in touch if they felt that such clarification would be helpful.

(6) Charles Lister emailed my Private Office on 13 February 2003 [**DHSC0042275_127**]. Mr Lister wanted a steer from me on how to handle the Hepatitis C compensation issue. He noted that Mr Connarty was expecting a meeting between DH officials and the party Group/ the

Haemophilia Society's technical advisers on the Society's proposed package. Mr Lister indicated that such a meeting could be held but in circumstances where he felt that Ministers were firmly opposed to a special payments scheme, he was concerned that it would give the impression of some hope that we would agree to such a scheme. The alternative was to write immediately to the Haemophilia Society rejecting the scheme. My handwritten annotations on this email show that I thought that we would have to wait and see what the Scottish legal position was. But I also observed that I thought that we would need to write to the Haemophilia Society to make clear that we could not agree to a financial assistance scheme, but that this position would need to be agreed by the Secretary of State.

(7) On 26 February 2003, Lord Hunt indicated in answer to an oral question from Lord Morris that we were still considering the details of the Haemophilia Society's report and would respond as soon as our consideration was complete. He added that, "*A report from a Scottish expert group is being considered by the Scottish Executive. I understand that no decisions have been made. Of course, that does not affect the position in England; it is solely a matter for the Scottish Executive*" [**HSOC0012672**].

(8) On 27 March 2003, I was asked for a further steer in a note from Robert Finch in my Private Office [**DHSC0042275_124**]. He noted that officials had asked for that steer and that my last indication had been to wait and see what the legal position was before proceeding. He went on to note:

> "*2. … There is now a general understanding with DWP Ministers that the Law Officers are not to be hurried.*[1] *This should ensure that a decision does not have to be taken before the Scottish Election (purdah starts on 1 April).*

---

[1] The inquiry refers me to an earlier email from Charles Lister to my Private Office on 12 March 2003 which indicated that the DWP had indicated that it may still be 2-3 weeks before we had an answer from the Law Officers [**DHSC5320611**]. He added that, 'This should ensure that a decision does not have to be taken before the Scottish Elections (we are about 3 weeks away from the purdah period).'. However, given the expected delay Mr Lister was seeking for the response to the Haemophilia Society's proposals to be put back before me.

> *3. There is still outstanding correspondence from Michael Connarty (and the Haemophilia Society, it is now 9 months since the Society presented their proposals) on this issue. Even if Scotland do have the power to make payments, this will not affect our 'no payments' stance in England – although it will put us under increased pressure (apart from anything else, there is no funding for this over the next three years).*
>
> *4. Given the continued delay officials are advising that we now reply to MC saying firmly that there is no prospect of any form of special payments scheme being agreed for haemophiliacs in England. We would therefore not be taking up MC's offer of a meeting to discuss the Haemophilia Society's proposals in more detail, although we are very grateful for all the work they have done etc.*
>
> *5. Are you content to write to MC on this basis? Or do you still wish to wait for clarity on the legal position in Scotland, accepting that there is, inevitably, going to be a further delay.*
>
> *6. This issue was due to be discussed with SoS at the stocktake and I presume he would want to be considered on any further action."*

(9) I endorsed this note with the following indication:

> *"I am happy to be firm on this issue.*
>
> *(1) I think we have to show we have properly considered the H. Soc's submission as we said we would*
>
> *(2) SofS needs to be aware"*

This was then communicated to Mr Lister on 31 March 2003, copied to Mr Milburn's Private Office, with Robert Finch asking for letters to be drafted in time for the Easter recess: [**DHSC0042275_123**].

(10) On 9 April 2003, Jill Taylor provided me with a further detailed briefing **[DHSC5320619]** which was copied to the Secretary of State's Office. She set out, a summary of the report and the Department's assessment of it (paragraphs 3-5); a summary of other schemes (Canada, Republic of Ireland, Hungary and Sweden) (paragraph 6); and a precis of the Scottish Executive proposal noting that we were still waiting to hear from the Law Officers (paragraphs 7-8). Against the background of my views already communicated on 31 March 2003, Jill Taylor's conclusion was that:

> *"9. The sum proposed in the Society's report is £522.26 m over 10 years, however even if we were to accept a reduced payment scheme based on the lines of the SE proposal (if accepted), the position remains that there is no further funding available over the next three years. There is also a major concern that any compensation payment made to haemophiliacs with hepatitis C could open the floodgates for other groups who are currently seeking compensation*
>
> *10. SofS has consistently held that compensation is not payable to haemophiliacs infected with hepatitis C and that an exception cannot be made to the general rule that compensation or financial help is only given when the NHS or individuals working in it have been at fault."*

Draft letters were attached for my consideration. The draft letter to Karin Pappenheim provided on this date is at **[DHSC0042275_122]** / **[DHSC5320619]** and the draft reply to Mr Connarty is at **[DHSC5320619]**.

(11) This submission came to me with a note from my Private Office on 10 April 2003. I responded on 14 April that the replies should not be sent until after 1 May (the Scottish elections); I requested that the letters be re-drafted (I wanted them to be more compassionate in tone) and that it should be cleared with the Secretary of State in light of the Scottish

situation [**DHSC0042275_119**]. This was conveyed by my Private Office the same day, with a request that the letters be re-drafted with a little more compassion and noting that I felt we needed more detail in the response to Karin Pappenheim [**I DHSC5320617**].

(1) Redrafted letters were emailed to my Private Office on 16 April 2003 [**DHSC5320617**] (472). The re-drafted letter to Mr Connarty is at [**DHSC5320618**]; the redrafted letter to Karin Pappenheim is at [**DHSC5320618**].

2.60. As I have indicated, there is a copy of the redrafted response to Karin Pappenheim and that reply should have been issued sometime after 16 April 2003 [**DHSC5320618**] (460).

2.61. I gave a great deal of consideration to these matters as I was aware of the hardship and distress faced by those with Hepatitis C and concerned to try and explain why I had reached the decision not to establish a scheme. I was also conscious of the cost of such a scheme which officials had indicated could be around £½ billion over 10 years which would have a significant impact on the health service more widely, as well as the concern about setting a broader precedent towards no fault compensation. It is apparent that I wanted to ensure that the lines we were proposing to take were cleared with Alan Milburn (see for example my response to Robert Finch's note of 27 March 2003 [**DHSC0042275_123**]). The Secretary of State had to take the ultimate decision on whether we were going to have a Hepatitis C compensation scheme; given its significant implications for individuals, the funds available and the read across to the Scottish situation.

2.62. There was some delay in responding to the proposals. However, as I have indicated, that arose in part because of the interplay with the developing position in Scotland and wanting to clear the position with the Secretary of State. From the documents I have seen I do not believe that I did have any further meetings with the Haemophilia Society or the All Party Parliamentary

Group on this issue other than on 12 June 2002. Mr Lister's email of 13 February 2003 referred to a meeting with Mr Connarty the previous day **[DHSC0042275_127]**. That is likely to have been in the context of the announcement of recombinant funding which we were able to make on 12 February 2003 **[HCDO0000254_880]**.

2.63. The Inquiry has also referred me to the letter from Karin Pappenheim dated 12 October 2003 to Lord Morris **[DHSC0014997_097]**. I have noted the contents of this letter, but this post-dates my involvement as PS(PH). I have been further referred to an undated document regarding Hepatitis C compensation in Scotland **[DHSC0042275_125]**. My consideration of the situation in Scotland is detailed in paragraphs 2.66 - 2.71 of this statement, below.

Letter to Paul Goggins [Q22]

2.64. The Inquiry refers to my letter to Paul Goggins on 20 August 2002 **[ARCH0002964_004]**. My letter referred to the fact that:

> "*When this Government came into office we reviewed the decision taken by the previous Government not to offer financial assistance to haemophiliacs infected with hepatitis C. At this time we met with the Haemophilia Society and carefully considered the evidence they presented. The decision – and it was not an easy one to take – was that we could not make an exception in this case to the general rule that compensation or financial help is only given when the NHS or individuals working in it have been at fault.*"

The Inquiry asks me for full details of this earlier review, who undertook it and the material considered, why it was done and whether I agreed with it.

2.65. I have addressed this issue in dealing with Mr Lister's submission to Yvette Cooper of 8 May 2002 at paragraphs 2.51 *ff*, above. I do not think I was aware of what are reported to have been the different views of Frank Dobson and

Baroness Jay or the detail of which officials had contributed to their consideration of the issue. The point being made in my reply was simply that the earlier Labour Ministers had considered the issue and – while not finding it easy – had come down against a payments scheme. That remained our policy but we were nevertheless prepared to consider the Haemophilia Society's proposals. As the position was developing in Scotland, our policy was being kept under review. However, as I set out below, the lead given by the Secretary of State was against such a scheme.

Consideration of Developments Moving Towards a HCV Payments Scheme in Scotland [Qs 23-26]

2.66. The Inquiry has referred me to a number of documents concerning the Scottish Expert Group on Financial and Other Support chaired by Lord Ross, and asks about the consideration that was given to it.

2.67. The Inquiry refers me to the following documents:

(1) Emails to my Private Office from Charles Lister dated 29 July 2002 and 31 July 2002 [**DHSC0042275_132**]. The first advised that the expert group would make a preliminary report recommending the establishment of a financial assistance scheme and encouraging me to speak to the Scottish Health Minister Malcolm Chisholm once more was known and the implications had been absorbed. Charles Lister advised that in the past the understanding was that any policy changes on the issue of compensation would be taken on a UK wide basis, but that this could no longer be guaranteed. The second email attached a copy of the group's recommendations but indicated that finalisation of the recommendations had been deferred until 28 August 2002. There was a suggestion that I might speak to Mr Chisholm on 28 August or 30 August;

(2) A note faxed to me **on** 6 August 2002 from my Private Office on "Hep C + Scotland". This indicated that I would "*need this in front of you when you speak to SofS. This is a devolved issue – but it will be v difficult for us to have different positions*". [**DHSC0042275_131**]. Attached to the fax

[DHSC0042275_132] were the two emails referred to above and the expert group's draft preliminary recommendation **[DHSC0042275_133]**;

(3) The Expert **Group's** Preliminary Report dated September 2002 **[HSOC0003349]**;

(4) An email of 6 September 2002 from Charles Lister to my Private Office **[DHSC0042275_136]** attaching the Expert Group's recommendation **[DHSC0042275_135]**. Mr Lister indicated that his opposite number in the Scottish Executive sought confirmation of our position on Hepatitis C compensation for them to include in a paper for the Scottish Cabinet. Mr Lister then said,

> *"I am aware that PS(PH) discussed this with SofS who was unequivocal in his opposition to a compensation scheme. The Scots are proposing to say: "The Department of Health in England has advised that it has no intention of initiating any scheme for compensating this group." From your knowledge of PS(PH)'s conversation with SofS, is this sufficient or should we be asking for the inclusion of a stronger statement on the lines of: "The Secretary of State for Health is firmly opposed to the introduction of any form of financial recompense for this group and has no intention of initiating any such scheme in England. "*

(5) An email from Sammy Sinclair in the Secretary of State's private office to Dr Vicki King and Charles Lister, dated 4 November 2002 **[DHSC0042275_129]**. This recorded the essence of a conversation that had taken place that day between Alan Milburn and Mr Chisholm. Sammy Sinclair summarised it as follows:

> *"Malcolm Chisholm said that off the back of a Health Committee they had set up an expert group to look at the issue of Hep C and blood products. The expert group has now completed its report, which according to Malcolm Chisholm, says that Hep C is comparable with HIV. If accepted, this would mean something along the lines of payments of £10k to people*

> *infected with Hep C via blood products, and £40K at the point they develop chronic Hep C. Malcolm Chisholm is due back before the Health Committee on Wednesday and feels he has to offer something, probably around payments to people once they become seriously ill.*
>
> *SoS was very clear that he thought this would be a grave mistake and that once the principle that we'd established had been breached, then we were scuppered and on a slippery slope to payments running into the millions across the UK. He said he thought Malcolm Chisholm needed to tough it out.*
>
> *Malcolm Chisholm said that the advice that he had had was that this was a devolved matter for the Scots, however he wasn't sure this was right. SofS is very clear that we need to find some way of showing that the Scots don't have the devolved power to go it alone on this, and thereby prevent them going ahead with any kind of announcement on Wednesday.*
>
> *Grateful if you could look into this ASAP and then come back to us."*

I endorsed this on 4/11 with the message to my Private Office "*Pl[ease] keep me informed*"

(6) Email from Mr Lister to the Secretary of State's Private Office dated 6 November 2002 [**DHSC0020878_010**]. My Private Office was copied in. Mr Lister was seemingly alerting Alan Milburn's Office to the fact that Mr Chisholm might need to be pulled out of a meeting before 12.00 if the Department was going to stop any announcement being made to the Scottish Health Committee.

(7) An **email** from Mr Lister dated 5 November 2002 indicating that he had "*spoken to Howard Roberts [DWP] who has come up with an argument we can give SofS to deploy*" and that he had also been in touch with the devolution unit of the Office of the Deputy Prime Minister [**DHSC0020878_013**].

(8) The submission from Charles Lister to Alan Milburn's Private Office dated 5 November 2002 **[DHSC0004601_003]** **[DHSC0004601_004]**. (Annex A: Hepatitis C Scottish Compensation Proposals, Implications for England). The submission set out essentially that health matters were devolved but that social security matters were reserved and that it was strongly arguable that the principal purpose of a payment scheme was to relieve financial hardship and therefore was not health related. The conclusion was to advise Alan Milburn to raise his concerns with Jack McConnell, the Scottish First Minister, and request the Scots not to go public until the devolution issue had been resolved. It was stressed that there was no definitive legal advice at this stage. My Private Office was copied into this submission. The annex on the implications for England stressed the concern that the cost might be £5-10m per annum for 20 years, and in addition such a scheme could open the floodgates to other claims: "*There must be a limit to the number of special cases that be introduced before we slip towards no fault compensation for any kind of health injury*" (paragraph 4).

(9) Emails from Charles Lister to the Secretary of State's Private Office dated 6 November 2002 and 7 November 2002 regarding advice that the Solicitors' Division had given to the Secretary of State for Work and Pensions, which was supportive of the view that a payments scheme would be a reserved matter **[DHSC0016773]**.

(10) An Email to my Private Secretary from Charles Lister dated 7 November 2002, in which Mr Lister alerted us to the media reaction to "*Malcolm Chisholm's fudge*" **[DHSC0042275_142]**. This was after Mr Chisholm had indicated that the Scottish Executive had announced that they would very much like to find a way of doing something to help those infected with Hepatitis C, but that there were complex medical, legal and financial considerations to consider. I endorsed my copy of the email with thanks, underlining the passage that Mr Chisholm "*is ending up pleasing no one*".

(11) A letter of 10 December 2002 from the Secretary of State for Work and Pensions (Andrew Smith) to the Secretary of State for Scotland (Helen Liddell) **[DHSC0042275_111]**. There is a handwritten endorsement

inviting me to note the content of the letter and I clearly read it as I have ticked and initialled it. Andrew Smith was in favour of making a joint approach for advice from the Law Officers. The letter was copied to Alan Milburn, Tony Blair and the Cabinet Secretary.

(12) A minute to me on 29 January 2003 alerting me to the fact that:

> *"PS(PH) should be aware that Malcolm Chisholm made a statement today to the Scottish Parliament Health Committee. He was talking about the sort of financial assistance scheme he would like to introduce for people infected with hepatitis C through blood and blood products if the devolution and social security disregard issues are resolved. He said that he would propose paying lump sums of £20K to all people living who still have the virus and a further £25K to those who have developed cirrhosis. This suggests that there would be no payment for people who have had the virus and then cleared it – whether spontaneously or after treatment - and nothing for the relatives of people who have died as a result of hepatitis C infection.*
>
> *...*
>
> *If we were to adopt the same policy in England, the cost would be considerable. There are around 3,500 people that we know have the virus from contaminated blood although some of them may have cleared it. The initial £20K payment would therefore cost £70m. On top of this, there are an estimated 5,000 people who may have been infected who we have not identified. If only half of these claimed, the cost would rise to £120m for a total of 6,000 people.*
>
> *It's hard to know how many of these 6,000 would qualify for the second payment of £25K either immediately or in subsequent years. The Scots are assuming 20%. Using the same assumption, the cost would rise by a further £30m (£25K x 1,200) taking the total estimated cost in England to £150m. At a crude guess, probably around £90m of this would fall in year*

one with the rest spread over a number of years." **[DHSC0042275_048]**;

I endorsed this on 2 February with the observation that I needed to mention this at the stocktake with the Secretary of State.

(13) Email dated 30 January 2003 from Charles Lister to my Private Office and the **Secretary** of State's Private Office amongst other recipients, noting Scottish media coverage that included reporting in the Scotsman that, *"DoH is expected to obstruct payments"* **[DHSC5110387]**.

(14) Email from Mr Milburn's Private Secretary to Charles Lister dated 3 February 2003 expressing puzzlement at Mr Chisholm's latest statement in light of the fact that further legal advice on the devolution issue was still outstanding and seeking clarification **[DHSC5110387]**.

(15) Mr Lister replied to Sammy Sinclair the following day explaining that the Law Officers were considering the issue and that this might take a month or so **[DHSC5110387]**. My Private Office was copied in.

(16) The **Final** Report of the Scottish Expert Group dated March 2003 **[HSOC0020367]**.

(17) Email from Charles Lister to Peter Thompson (Solicitor's Division) copied to the Secretary of State's Private Office and to mine, dated 16 April 2003 **[DHSC5320612]**. On the compensation issue Mr Lister noted that he had been updated that the Scottish Executive expected to come under pressure for higher payments than those that had been indicated by Mr Chisholm. He sought an update on the timing of the Law Officers' advice.

2.68. I am asked what consideration was given by DH to the recommendations made in the Lord Ross report; what my role was in the process and why DH took a different approach to that recommended by Lord Ross. I cannot recall being involved in discussions about the Scottish report other than wanting to see what they were recommending in their report and how it might affect our decisions. We maintained the position of only providing financial support where there was negligence and were concerned that if this principle were breached it could result in an avalanche of unaffordable claims. The Secretary of State took a clear lead on this being concerned about the impact on the wider health service of the costs and precedent of such a scheme.

2.69. The Inquiry further refers me to a chronology within a briefing pack for a subsequent PQ in September 2003 [**DHSC0006217_027**]. This suggested that on 4 November 2002 Alan Milburn had told Mr Chisholm that:

> *"…he thought this [The Scottish Executive offering an HCV payments scheme of some kind] would be a grave mistake and that once the principle that we'd established had been breached, then we were on a slippery slope to payments running into the millions across the UK. He said he thought Malcolm Chisholm needed to tough it out.*
>
> *…*
>
> *SofS subsequently asked officials to find some way of showing that the Scots don't have the devolved power to go it alone on this, and thereby prevent them going ahead with any kind of announcement on 6 November."*

The chronology appears to me to be commenting after the event on a conversation between Mr Milburn and Mr Chisholm and then subsequent exchanges between officials and the Secretary of State. I do not recall the details of these and do not remember being personally significantly involved in taking forward the obtaining of advice on the devolution issue. Mr Milburn's conversation with Mr Chisholm on 4 November was summarised on the same day by his Private Secretary – see paragraph 2.67(5), above. My recollection is that our decision not to go along with a payments scheme, notwithstanding the Scottish developments, was a very difficult decision to take due to the undoubted hardship that those with Hepatitis C were facing. But that had to be weighed against the considerable financial cost of the schemes being proposed and their impact on the wider health services available to the population caused by both the direct costs and the precedent that would be set. I recall that everyone involved found this a very testing time.

2.70. I do not now recall having direct discussions with Malcolm Chisholm. The email of 31 July indicated that I might speak with him on 28 or 30 August [**DHSC0042275_132**]. If that call did take place, I do not now remember what was said.

2.71. The Inquiry asks if I consider the characterisation by the Scotsman that "*Now the Department of Health is expected to obstruct payments in Scotland, arguing that the Executive does not have the power to make such decisions*" was a fair characterisation [**DHSC5110387**]. I would not characterise it as obstructing. There was an issue whether the payment scheme (the precise character of which had not yet been settled) fell within devolved or retained powers. The Scots were seeking to move away from what had hitherto been a common position across the four nations. In doing so, they risked undermining the policy position adopted in England – one that was difficult but which we felt was necessary to protect other aspects of the health budget. It was legitimate in those circumstances to get full advice on the devolution legal issue.

Hepatitis C Compensation Schemes in Other Countries [Q27]

2.72. The Inquiry asks what consideration I gave to the Hepatitis C compensation scheme in the Republic of Ireland and those from other countries.

2.73. Jill Taylor's submission of 9 April 2003 [**DHSC5320619**] set out details of the schemes in Canada, the Republic of Ireland, Hungary and Sweden in the following terms:

> *"6. We are aware of four countries with compensation schemes for haemophiliacs infected with hepatitis C through blood:*
>
> *• Canada*

> - *Republic of Ireland*
> - *Hungary*
> - *Sweden*
>
> *Canada and Ireland set up schemes because patients in both countries were being infected with hepatitis C after it become possible to remove the virus from blood products. We understand that the Canadian scheme is limited to those people infected with hepatitis C between 1 January 1986 and I July 1990 (in England, action was taken to virally inactivate blood products in 1985).*
>
> *Hungary has a no fault compensation scheme for all people whose health has been damaged as a result of medical treatment. In Sweden, compensation is available from pharmaceutical companies but is limited to the social and psychological suffering the virus has caused, not for the physical damage. None of the situations in these countries offer parallels for the UK."*

Both officials and I were aware of this information and they were considered. But as the briefing made clear, the situations were not directly comparable. Having asked officials to include more detail in my response to Karin Pappenheim, information on these other schemes was included in the redrafted reply to her: [**DHSC5320618**] / [**DHSC0042275_122**].

2.74. The Inquiry also refers me to:

(1) An email from Charles Lister on 25 April 2002 to my Private Office amongst other recipients, providing further information on recent developments concerning the Irish schemes [**DHSC0041379_017**];

(2) A background note and Lines to Take on Hepatitis C Compensation in the Irish Republic [**SCGV0000241_086**] which was the information sent with the above email.

The thrust of the advice being given here was that the compensation being given in the Republic was being given in very specific circumstances which did not apply in the UK.

2.75. In addition to the documents to which the Inquiry has referred me, I note that in briefing material for Lord Hunt to answer a PQ from Lord Morris on 21 November 2002, Lord Hunt was provided with a table of the variety of approaches taken by other European countries to Hepatitis C payment schemes [**DHSC0006216_137**]. There was a wide spread of different approaches taken with quite a number of countries having no scheme, others having a scheme where some fault had been found, and some appearing to have a form of payments unconnected to findings of fault.

3. Section 3: Other Issues

Consideration of Calls for a Public Inquiry [Qs 30-33]

3.1. I have been asked what consideration I gave, during my time in office, to calls for a public inquiry.

3.2. In order to answer this question, I have first set out a summary of the documents to which I have been referred to by the Inquiry, as well as some further material provided from the available documents, as this may assist in seeing what information I received at the time.

3.3. The first document to which I have been referred by the Inquiry is the letter sent by me on Yvette Cooper's behalf to Jim Dobbin MP, dated 6 August 2001 **[DHSC0038520_191]**. As I have explained in paragraph 1.9 above, I replied as Yvette (who was PS(PH) at the time) was on maternity leave. I have not been shown the letter to which this was a reply, but I can see that it concerned haemophiliacs infected with Hepatitis C. I addressed, first, the history and the Government's decision that there was insufficient reason to pay either compensation or to offer ex-gratia payments. I then addressed the topic of a public inquiry, saying that the facts had been set out clearly on many occasions through debates in the Houses of Parliament and it was not felt that an inquiry was merited.

3.4. I have also been referred to **[DHSC0004054_033]**. This is a briefing to Lord Hunt dated 9 October 2001 on the subject of a Lords PQ to be asked by Lord Morris about the call for a public inquiry; it appears that it was sparked by comments from Lord Owen (see further below). Whilst it is relevant to note that the briefing stated that officials had been "*establishing the facts*" in relation to events over that period, this is not a briefing that I believe I would have seen at the time, as this issue was not within my area of responsibility at this time.

3.5. By the same token, I would not have seen the document at **[DHSC0041379_081]**. This was a note covering the underlying briefing from Charles Lister for PS(PH), to Yvette Cooper, dated 11 March 2002, before her meeting with the All Party Parliamentary Group on Haemophilia on 14 March 2002. The submission notes that the topic of a public inquiry was likely to be raised, but there is no substantive comment on this in the covering note.

3.6. The next document referred to by the Inquiry is addressed to PS(PH) and is dated 22 March 2002 **[DHSC0042461_064]**. Again, this was intended for Yvette Cooper (whose name appears at the top in a handwritten comment). The submission concerned a possible meeting with Carol Grayson, including the need for a more detailed review of the documents dating back to the 1970s and 1980s, the period linked to Ms Grayson's allegations. It was noted at paragraph 14 that documents concerning information about the use of Lord Owen's money invested in self-sufficiency had been copied to the Haemophilia Society.

3.7. As I have made clear, I moved into the role of PS(PH) on 28 May 2002.

3.8. After this move to the Public Health role, the Inquiry refers to a submission to me from Robert Finch dated 27 June 2002 **[WITN6658019]**; and annexes A-D **[WITN6658020]**[2]. This was a briefing for a meeting with Lord Owen, Lord Morris and Michael Connarty MP, to discuss Lord Owen's claim that officials had failed to honour his pledge to Parliament in the mid-1970s to make the UK self-sufficient in plasma products. My predecessor, Yvette Cooper, had instigated the meeting, following a number of statements in the media by Lord Owen and Lord Morris supporting the case for compensation for haemophiliacs with HCV and supporting the case for a public inquiry; Lord Owen's allegations were summarised in Annex A of the submission. As Mr Finch recorded in his submission, the evidence reviewed showed that the funds allocated for self-sufficiency with respect to blood products were spent and production increased,

---

[2] The Inquiry provide a version of this submission at [**DHSC0041305_030**] but I have referred to the copy with my annotations which also contains the annexes.

but there was also a rapid growth in demand by patients and clinicians for clotting factors, which made imports a continued necessity.

3.9. It was noted that the information already gained from the files examined from that period had been shared with the Haemophilia Society. But as the submission also recorded, it had been agreed between DH officials and Yvette Cooper that officials would undertake a more detailed review of the surviving papers between 1973 and 1985 and compose a chronology of events. There were significant volumes of paper to be read and analysed and it was estimated that it would take four to five months to compose such a document. The submission suggested that I should offer at the meeting to share the findings of the detailed review once completed. It further set out the Departmental view that there had been no evidence presented to date that would justify a public inquiry. Further lines to take on this were set out in Annex D to the submission.

3.10. The Inquiry refers me to my meeting with Lord Morris and Michael Connarty MP that duly took place on 1 July 2002. Lord Owen had asked that no officials attend, but in the event, he was himself unable to attend the meeting. My Private Secretary Mary Agnew was the only other person in attendance to take a note **[DHSC0003606_083]**.

3.11. I do not recollect this meeting and am dependent on the minute of the meeting which has been shown to me. Looking at the minute, it appears that I explained that, on the basis of an initial paper trawl, there had not been any misappropriation of public funds promised for the purpose of seeking self-sufficiency. There had instead been an exponential growth in the use of clotting factors and the aim of UK self-sufficiency had therefore become something of a moving target with which the original allocation had failed to keep pace. The funds had proved to be insufficient.

3.12. I further observed that Ministers had agreed that someone from the DH would undertake a comprehensive trawl of the papers; this was expected to take four to five months because of the volume.

3.13. It does not appear that there was any discussion about the call for any public inquiry at this meeting. I made clear that I would be happy to meet with Lord Owen to discuss the issues further once the official conducting the review had reported the findings. I think this reflects that, in the light of allegations being raised, I wanted to know the outcome of this internal review before responding further, noting that the initial trawl had suggested that funds had been invested in self-sufficiency but self-sufficiency had not been achieved because of an exponential growth in demand.

3.14. The Inquiry has also referred to a letter dated 16 January 2003 from me to Greg Pope MP, regarding his constituent's letter about haemophiliacs infected with Hepatitis C [**DHSC0004029_233**]. The constituent had asked about a compensation scheme, and I addressed this first. He had also requested a public inquiry into this issue. I wrote that the facts had been set out on many occasions within the course of Parliamentary debates, at meetings and in correspondence. The Government had taken the view that, since it appeared that the facts were in the public domain, a public inquiry was not an appropriate way forward.

3.15. I have also been referred to a letter dated 18 January 2003 from Carol Grayson, of Haemophilia Action UK, to Lord Hunt and to me [**MACK0000539_002**]. The thrust of the detailed letter was a complaint about the testing of haemophiliacs for Hepatitis C without their consent, which she noted was contrary to GMC guidelines. She asked for a public inquiry.

3.16. From the documents supplied to me for the purposes of this Statement, I note that Lord Hunt had met with Carol Grayson on 9 May 2001 and wrote to her on

25 July 2001 [**ARCH0002527**]. My predecessor, Yvette Cooper MP, had also met with Carol Grayson and others from the Manor House Group on 15 May 2002 [**WITN6658021**].

3.17. My APS Mr Finch, passed the letter via the Ministerial Correspondence Unit to Ms Seedat and Ms Taylor for consideration and for a response from officials, with the option for them to advise if a Ministerial response was thought to be appropriate.

3.18. Officials noted the need to look into this issue of testing without consent; thus, on 24 January, writing in the context of a reply to Lord Morris on the issue, Mr Lister recorded that he had "*spoken to the Haemophilia Soc who have been aware of this issue for years and have produced reports on the subject*". He set out the 1988 GMC guidance (which implied that specific consent should have been obtained), but suggested that a 'holding' reply be sent to Lord Morris [**DHSC0004003_036**].

3.19. I have now been shown an email from Charles Lister to Zubeda Seedat dated 8 May 2003 [**DHSC5541405**]. He requested that she write to Lord Morris and Carol Grayson to state that it would be inappropriate for the DH to comment further in light of the fact that the GMC had confirmed that they were investigating allegations made by haemophilia patients that they were not told about positive HCV tests in the early 1990s. The GMC had written:

> *"To avoid complicating matters, it would be useful if you and/or ministers would confirm you are aware we are looking into the issue, but not give out too much further information. Our investigations are at an early stage, and we do not want to run the risk of prejudicing anything."*

I have not been shown anything to suggest that a reply incorporating this information was sent on my behalf before 12 June 2003; it seems that there was delay in sending a substantive response. I note that a subsequent letter to

John Reid on 4 July 2003 (after I had moved on to the Home Office) referred to the fact that officials had sent holding replies to Ms Grayson while the issue of testing consent was being looked into [**WITN6658022**].

3.20. I think it unlikely that I saw the letter from Carol Grayson at the time. However, had the additional concern raised by Carol Grayson over testing without consent been raised directly with me, I do not think it would have justified a public inquiry given the information officials had been given that it was being investigated by the GMC.

3.21. The Government's position with respect to the need for a Public Inquiry was referred to in a letter to Mark Lazarowicz MP, the draft of which was produced in May 2003. It is apparent that this was in reply to a letter addressed to Alan Milburn in February [**WITN6658023**], which was passed to officials for me to respond to. The copy of my letter of reply supplied by the Inquiry appears to be a draft [**DHSC0041174_075**]. On the draft, I had annotated various amendments and the comment, "What about the *trawl of correspondence that has been going on for last 6 months?*". On 7 May 2003, it looks from the annotations as though the letter was sent back urgently to officials for redrafting. I have been supplied with a copy of what appears to be the final redrafted letter of reply, together with an answer to the question that I had asked, about the "*ongoing trawl of correspondence*" [**WITN6658024**]. The Ministerial Correspondence Unit was informed by Ms Seedat that:

> *"The PO below has been returned for redraft following comments from PS(PS) "what about the trawl of correspondence that has been going on for the last 6 months".*
>
> *The review of the surviving papers for the period between 1973 and 1985 has been completed. However the review did not uncover additional papers for that period. A chronology of events has been put together which officials have yet to consider.*
>
> *I attach a re-draft offering to make further enquiries with House of Commons library if Mr* GRO-A *can provide more specific information."*

3.22. As a result of this redrafting, the final response appears to have been sent out by my successor, Melanie Johnson on 9 July 2003 [**DHSC0041174_061**].

3.23. I have been asked to set out my understanding of the Government's reasons for declining to establish a Public Inquiry during my time in office.

3.24. It is apparent from the documents that I have summarised above that a consistent view was taken that the issues raised by those seeking a Public Inquiry had been considered in depth in debates in both Houses of Parliament; in addition, a number of meetings had taken place with Ministers, the All Party Parliamentary Group, individual Members of Parliament and others who had been infected with contaminated blood and blood products, to discuss the issues arising. It was felt that all of the relevant facts were in the public domain and that it would not be appropriate to hold an inquiry. In addition to this, officials had set upon a detailed internal trawl of records to establish a fuller chronology of earlier events in response to the allegations that had been raised and the results of that were still awaited throughout the time that I was in post.

3.25. For my part, I felt the facts were not in dispute sufficiently to warrant a Public Inquiry. The fundamental and more pressing issue as I saw it was whether there should be a financial assistance scheme for those with Hepatitis C, similar to those with HIV.

3.26. I have been asked what part, if any, the establishment and findings of inquiries in other countries such as Canada, France and Ireland played in the Government's decision not to hold a full public inquiry.

3.27. I have already referred to the briefing that I received from Mr Finch before the planned meeting with Lords Owen and Morris in July 2002. This stated that the

Irish position differed from that in the UK, in that a large number of women had been infected with Hepatitis C in Ireland from contaminated anti-d immunoglobulin produced by the National Blood Service. *"Infection with hepatitis C in this way is unique to the Irish Republic"*, it was said **[WITN6658020]**. I was advised that the inquiry and compensation scheme had been set up after evidence of negligence by the Irish blood service, which made their position significantly different to the UK.

3.28. I note that the 10 June 2002 briefing I was sent for the meeting with the Haemophilia Society and Michael Connarty MP stated, with respect to Canada and Ireland, that financial compensation schemes had been set up because patients had been infected with Hepatitis C after it had been possible to remove the Hepatitis C virus from blood products **[DHSC0041305_037]**: *"We understand that the Canadian scheme is limited to those people infected with HCV after 1987 (in England, action was taken to virally inactivate blood products in 1985)".*

3.29. As far as I can now recollect, I was not aware of the position in France, at least, I have not seen that it appeared significantly in the briefings that I was sent.

3.30. It appears from the briefings above that the situation in other countries was considered in the context of the financial support schemes that had been set up, rather than specifically in the context of a public inquiry.

3.31. In this context, the Inquiry refers me again to the letter that I sent to Paul Goggins MP on 20 August 2002, in which I stated:

> *"The facts have been set out clearly on many occasions through debates in both Houses, at meetings with Department of Health Ministers and in correspondence. Whilst the Government has great sympathy for those infected with hepatitis C and has considered the call for a public inquiry very carefully, all the information is in the public*

> *domain and we do not think it is the way forward."* **[ARCH0002964_004]**

The Inquiry asks what inquiries were made to enable that view to be reached. As I have referred to at paragraph 3.24 above, I think this statement was reflecting that the issues raised by those seeking a public inquiry had been considered in depth in debates in both Houses of Parliament and in meetings with Ministers where the Department's understanding had been set out. I had been informed that the information from the initial trawl of documents had been provided to the Haemophilia Society. It was my understanding that the facts as already known were openly in the public domain.

The Department's Internal Review on Self-sufficiency [Q34]

3.32. In commenting on the public inquiry issues, above, I have already referred to the more detailed review of documents which had been set in motion. The Inquiry refers me to a number of further documents in this regard.

3.33. In terms of documents prior to my involvement as PS(PH), the Inquiry refers me to:

(1) The 22 March 2002 submission from Jill Taylor to Yvette Cooper **[DHSC0042461_064]**. I have referred to this at paragraph 3.6 above. It referred to the fact that documents containing information about the use of the "Lord Owen money" had been copied and passed to the Haemophilia Society. It referred to the initial review of documents that had already taken place but noted that the documents had not been looked at in detail yet as the exercise would require several weeks of work. It was recognised that this was not a sustainable position and that further advice would follow and Yvette appears to have endorsed her agreement to this sentiment encouraging officials to clarify "*are they going to look into this or not. Seems they have to and where are the Owen documents*". I would not have seen this at the time.

(2) The 8 May 2002 submission from Charles Lister to which I have referred at paragraph 2.51 of this statement [**DHSC0041379_025**]. Mr Lister advised Yvette that:

> *"6. We are currently seeking funds to employ an official for a short period to undertake a detailed review of the surviving papers between, roughly, 1973 and 1985 and put together a chronology of events. Without this it will be difficult to answer any detailed accusations levelled against the Department by Lord Owen and others. However, given the need to recruit someone to do this work and the huge volumes of paper to be read and analysed, a complete chronology is unlikely to be ready for at least 2-3 months."*

(3) The Manor House Group's own record of their meeting with Yvette on 15 May 2002 [**HSOC0010634_093**]. Their record included the note,

> "*Yvette Cooper 'There had been an initial investigation, which showed that the money promised, by Lord … David Owen, had been used correctly'. No documents produced.*" (I note that the DH record of the same meeting recorded, "*The minister also agreed to ask officials to look further at the papers from the 1970s to consider the possible safety problems at BPL during this period and to explore a Report from the Medical Inspectorate at this time, which was scathing about BPL's procedures."* [**WITN6658021**].

3.34. For the period after I had taken over as PS(PH), the Inquiry refers me to the following:

(1) Robert Finch's submission to me of 27 June 2002 [**WITN6658019**]; and annexes A-D [**WITN6658020**]. I have already set out the material parts of this at paragraphs 3.8 *ff*, above.

(2) My meeting with Lord Morris and Michael Connarty on 1 July. **[DHSC0003606_083]**. I have summarised the material parts of this at paragraphs 3.10 *ff* above.

(3) My written answer dated 28 October 2002 to a PQ from Brian Cotter MP in which he asked for the findings of the "*Department's inquiry relating to Lord Owen's period as a Minister ...*" **[DHSC0041332_038]**. I stated in reply,

> *"I have now instigated a comprehensive review of the papers from the period in question, which is estimated to be completed early in the new year. The findings from this review will be made available to the House".*

The background note explained that Yvette had originally agreed to an informal trawl of papers and that an official had now been employed to undertake the detailed review. Although I do not think anything turns on it, the answer ought probably to have made clear that it was my predecessor Yvette Cooper who had actually instigated the review.

(4) My letter to Sylvia Heal MP on 21 January 2003 **[DHSC0004029_231]**. On the internal review, I updated her with the fact that an official had been appointed to undertake a detailed review of the papers and put together a detailed chronology of events. I promised to ensure she was made aware of the outcome of the work.

(5) Although not specifically raised with me in relation to this issue, I would repeat the account I have given above at paragraphs 3.21 - 3.22 in relation to my annotations on the draft report to Mark Lazarowicz in May 2003. I asked about the progress on the trawl of correspondence that has been going on for the last 6 months. The Ministerial Correspondence Unit received the response I have set out at paragraph 3.22 above.

(6) An email from Charles Lister to Ms Seedat dated 10 June 2003 **[DHSC0020720_081]**. I would not have seen this at the time; it was 3 days before I moved to the Home Office. I note that Mr Lister set out the remit of the internal review and he names the official (Peter Burgin) who

had been doing the work. However, I do not have any recollection of Mr Burgin as an official. Mr Lister said that the review was not set up to address Lord Owen's allegation that the papers from his period as a Minister had been "pulped". Mr Lister set out a summary of where the review had reached and what further needed doing, but I would repeat that I would not have seen this at the time.

3.35. The remainder of the documents on this issue to which the Inquiry refers me post-dated my involvement and I set them out only briefly:

(1) Email correspondence between DH and Scottish Executive Officials on 17 October 2003 [**SCGV0000262_116**];

(2) Emails from Ms Taylor and Ms Seedat and Melanie Johnson's Private Office (November – December 2003) referring to the Burgin report and the fact that John Hutton had rejected a draft letter concerning it asking for a full explanation in relation to Lord Owen's accusation [**DHSC0004555_235**];

(3) A draft heavily annotated submission from Mr Gutowski to Mr Hutton's Private Office [**LDOW0000138**];

(4) An email from a Mr Reay to Scottish Executive Officials on 8 June 2004 with a line to take referring to it being prescient to wait for the completion of the informal review commissioned by Yvette Cooper before responding to a request for disclosure of DH documents [**SCGV0000046_088**];

(5) A series of emails and attached advice from February 2006 regarding a request for a meeting with PS(PH) – then I think Caroline Flint - from the Manor House Group [**DHSC0200104**];

(6) A PQ from Lord Jenkin tabled in March 2006 referring to the publication of the report on 27 February 2006 and whether it was a complete account, and the associated briefing pack [**DHSC0041198_088**]. The briefing pack contained information on the background to the review and suggested answers for supplementary questions about it including

reference to the fact that the report was never intended to look into the destruction of papers but was based on the surviving papers.

(7) A further PQ from Lord Jenkin for answer on 25 May 2006 referring to the recent discovery of further papers and whether they provide evidence to support the claims of those who had been infected with Hepatitis C that their infection had been caused by blood products. [**DHSC0015839**].

3.36. Turning to the questions which the Inquiry has asked me about the internal review, I would note firstly that it was commissioned by my predecessor Yvette Cooper. From the papers I have reviewed, which is consistent with my recollection, she asked for the DH files to be reviewed more comprehensively in order to provide better information around the allegations concerning the failure to achieve self-sufficiency in blood products that had been used for transfusion in the 1970s and early 1980s. While an initial review of documents had suggested that Lord Owen's investment in self-sufficiency had been appropriately applied, the detail of allegations being raised was hard to address without a more detailed assessment of the papers.

3.37. I can see from the papers that Mr Burgin was the official to whom the task was allocated. I do not believe I would have been involved in his selection and I have no recollection of being so involved.

3.38. I cannot say why the report took such a long time to be published. The exercise had already overrun its original time estimate while I was in post. As I have set out above, it looks as if seeing the draft response to Mark Lazarowicz was a trigger for me asking about progress on the report but I raised this in the month before I left for the Home Office. I have now seen from Mr Lister's email of 10 June 2003 the stage that had been reached and the work that remained as at the date [**DHSC0020720_081**]. But I was not in the Department after June 2003 nor, therefore, can I explain why it took such a long period thereafter to be completed.

3.39. I am asked about the scope of the review and why it did not include the destruction of papers. Charles Lister's same email of 10 June 2003 contains a clear summary of the remit:

> *"The remit for the work done by Peter Burgin was to review surviving documents from 1973 to 1985 to address a number of issues, chiefly:*
>
> *- how the Department implemented the policy of UK self sufficiency in blood products begun in 1973 (Lord Owen has said publicly that officials did not carry out his wishes);*
>
> *- to chart the developing understanding of the seriousness of non A/non B hepatitis (later identified as hepatitis C};*
>
> *- to examine the extent to which problems at BPL delayed the achievement of self sufficiency;*
>
> *- whether the achievement of self sufficiency would have led to fewer cases of hepatitis C in haemophilia patients.*
>
> *It was not set up to address Lord Owen's allegation, dating from the late 80s, that the papers from his period as a Minister had been "pulped"."*

As to why the destruction of papers was not included, I cannot say from my own direct knowledge as the review was set in train before I took over the PS(PH) role. From the available papers to which the inquiry has referred me from before and after my time, it may be that the more detailed review emerged as a development of the initial work that officials had already undertaken on the surviving papers to try to find out the facts in the areas where issues about the failure to achieve self-sufficiency were being raised, i.e. the emphasis may simply have been on a more detailed review of the surviving papers. However, for the reasons I have explained, I have no direct knowledge of whether or not officials and my predecessor actively considered adding the destruction of papers to the remit of the review and if so, why that option was rejected. I do not recall any suggestion of 'adding' the destruction of documents to the remit of the review arising when I was PS(PH).

3.40. I am asked if the internal review played a part in the Government's decision not to hold a public inquiry. Clearly, I was not involved when the report was concluded so I cannot speak to the decision making at that stage. For the period when I was PS(PH) I think that the fact that there was an internal review ongoing would have been one factor in maintaining our policy that a public inquiry was not justified at that stage. Having decided that the papers should be thoroughly reviewed to consider the issues that had been raised, it would be natural to want the results of that review before making any decision on a public inquiry.

Views of Other Former Ministers [Q35-Q36]

3.41. The Inquiry invites my views on comments from Andy Burnham in which he referenced his experience of 'resistance …found in the civil service within Government' **[RLIT0000771]**. The issues around contaminated blood and the terrible effects on the lives of so many people were very challenging for everyone involved. Balancing the needs of individuals with the wider considerations of the NHS and services for patients was difficult. Ministers remain responsible and in my experience were well supported by hard working and dedicated officials.

3.42. The Inquiry has asked me if I have any observations on Lord Norman Fowler's evidence to the effect that the Government should have established a UK-wide public inquiry before now **[INQY1000144; INQY1000145]**. I agree that the decision to establish this Public Inquiry has taken a very long time. Different Governments will sometimes inevitably take different positions, often on highly contentious matters. This delay undoubtedly affects the recollection of those involved and the clarity of evidence given. Unjustifiable delay should be avoided in the interests of those whose lives have been affected by the events that occurred. It would help everyone involved if Inquiries themselves could be conducted with as much speed as possible commensurate with the need to establish the facts and consider recommendations for future action. It is important for individuals and families to have a full explanation of the decisions taken, the reasons for those decisions, and a clear understanding about what action can be taken to avoid a similar situation occurring in the future.

Further Comment about Matters of Relevance to the Inquiry's Terms of Reference [Q37]

3.43. The Inquiry has not raised the Department's wider strategy on Hepatitis C. While we did not, during my time as a health Minister, agree to a Hepatitis C payments scheme for those infected through blood or blood products, we were taking action on Hepatitis C more widely. The Department of Health's Hepatitis C Strategy for England was published in August 2002 (with a foreword from me) and invited responses by November of that year [**WITN6658025**]. The strategy was part of a wider programme for tackling contagious diseases – Getting Ahead of the Curve – which included action on blood borne viruses. The Getting Ahead of the Curve programme was a well thought out, comprehensive and structured plan led by Liam Donaldson, the CMO.

3.44. The Strategy centred on three main challenges: improving prevention, treatment and support. It also aimed to tackle inequalities across the country. The Strategy was developed with stakeholders and key experts including patients, drug users, prisoners and other groups particularly affected in line with the principles of the NHS Plan. It was clear to me, and ably set out by Gary Streeter MP in our adjournment debate on services in Plymouth and the West Country, that support and treatment varied widely across the country. In the new strategy there would be accessible specialist treatment centres across the country, specialist nurses and hepatology units, expert clinicians and coordinated pathways of patient care.

3.45. There was a commitment in the Strategy to support those individuals and groups at high risk but it was often neglected due to stigma such as: injecting drug users, those infected by sexual transmission and drug use and needle sharing in prisons. Health promotion campaigns were designed to change public attitudes and create a more enlightened approach. Antiviral drug therapies became more effective and testing of blood donations and blood products was widespread.

3.46. All of this change meant that there were practical steps the NHS could take to support and treat those with Hepatitis C more effectively than had been possible in the past. I was impressed by the overarching strategic nature of the plan, it was a genuine strategy. I hoped the plan would provide high quality practical help and medical care for those infected with Hepatitis C and their families. It was also designed to invest in health promotion and prevention which as well as reducing the harm of this disease to individuals it would also reduce the costs to the NHS of treatment and support in the longer term.

3.47. As I have mentioned elsewhere in this statement, difficult decisions do need to be taken regarding where funds are allocated and, while we did not agree to a Hepatitis C payment scheme, the improvements to Hepatitis C care which the Strategy was intended to achieve, was an important development that I was keen to support.

3.48. I note two other areas where I responded to submissions on relevant issues:

(1) In July and August 2002, I received and responded to submissions on moving towards importing US Fresh Frozen Plasma for neonates and children born after 1 January 1996 as a vCJD risk reduction measure (see submissions and responses of: 25 July 2002 [**DHSC0017705**]; 6 August 2002 [**DHSC0017728**]; 8 August 2002 [**WITN6658026**]; 13 August 2002 [**WITN6658027**]; and 15 August 2002 [**WITN6658028**];

(2) On 12 February 2003 I made the announcement of £88 million in funding staged over three years for recombinant clotting factors for haemophilia patients in England **[WITN6658029]**. On the advice of officials, I had provided a note to Alan Milburn on 5 February 2003 to seek to an agreement to the announcement ahead of the formal Spending Review decision on central budgets, because funding for recombinants was not one of the areas of remaining dispute for the SR 2002. We were under pressure to make our funding decision known and it was desirable to get on with the rollout as soon as possible **[WITN6658030]**. Mr Milburn agreed hence the announcement on 12 February.

3.49. The question of providing financial assistance for people whose lives were seriously affected by contaminated blood products and transfusions was very challenging. As well as the impact on individuals there were also consequences for the rest of the health service. The likelihood of a no-fault compensation system emerging by default was a key consideration for Ministers at the time. The provision of financial assistance in these kinds of situations might be better considered as part of the benefits system and perhaps consideration may be given to this approach in the future.

<u>Statement of Truth</u>

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

Signe **GRO-C**

Dated 9 June 2022