

File note

vCJD COMPENSATION SCHEME

1. Secretary of State met Sir Robert Owen on 19 July. Dr David Stevens (Trustee) also attended.
2. Discussion covered the operation of the compensation scheme, progress with settling claims, and the costs arising both on the part of the Trustees and on the part of claimants, many of whom employed solicitors. Secretary of State and Sir Robert agreed upon the importance of completing the outstanding claims, and minimising administrative and legal costs.
3. Sir Robert explained that the relatively high level of costs, and the processing delays, arose from the complex nature of the scheme set out in the Trust Deed. He outlined the Trustees' proposals for an alternative approach, which would award a standard lump sum in all cases. Its value would be based upon the average of the equivalent payments made to date. In addition there would be provision for dependency based upon the arrangements in the existing scheme. The application of discretion would be largely eliminated, making for a simpler, quicker and more economical scheme. This new scheme would apply to new claimants arising after a set date.
4. Secretary of State expressed interest in the Trustees' proposals, noting that it would be important to consult widely to ensure general acceptance and understanding of the changes. There would be no advantage in a revised scheme that met renewed criticism. She would therefore need to study the proposals very carefully, taking legal advice.
5. Secretary of State thanked Sir Robert and his colleagues for their work in running the compensation scheme, and for their constructive proposals for its revision. She asked that officials should work with the Trust managers and with the Trustees to take forward an analysis of the options for change.

J C Stopes-Roe
20 July 2006