



OFFICE OF THE SOLICITOR

Department for Work and Pensions • Department of Health

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Richard Vallance Esq
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Dear Richard,

VCJD Trust

Eileen Lawrence has passed to me copies of both Sir Robert Owen's letter to *The Times* and your own letter to the families, each dated 11 May 2004. Whilst we readily appreciate that the course of recent events may ultimately have caused these letters to have been settled with some haste, I regret to say that there are aspects to both with which the Department is distinctly unhappy.

As you know, the letter to *The Times* suggested that the Trust's very high administration costs to date might in some way be justified by the complexity of the settlement. This is most certainly not a view shared by the Department. Unfortunately, the letter goes on to imply that the level of costs is something that the Department is reconciled to, or worse still in our view, is something that the Department may not have even considered.

The Department believes that the settlement is indeed a sophisticated one since it seeks to make comprehensive provision for the manifold and myriad tragedies present in so many of these cases. However, whilst some higher, familiarisation, costs might have been expected at the outset, it was not anticipated that these would endure for so long or that so obvious an imbalance between costs and compensation would emerge. At the time the settlement was agreed with Irwin Mitchell the Department certainly did not consider there to be anything inevitable about high level running costs continuing well into the lifetime of the Trust. Equally, the Department did not expect to find itself effectively continuing negotiations as to the terms of the settlement long after those negotiations, with Irwin Mitchell at least, had been concluded. In this regard it would seem that costs have all too inevitably accrued.



Contrary to what is said in your own letter to the families, the Department has most definitely expressed concern about the high level of costs involved in the administration of the Trust. Our concerns were discussed with you on a number of occasions last year and prompted, as we recall, great efforts on your part to explain the discrepancies and offer every reassurance for the future. Subsequently, the Department's anxieties were not made public both as a consequence of the assurances we had received but also so as to avoid any possible wider loss of confidence. Equally, the Department has not pressed for a meeting between the Trustees and the Secretary of State on the basis of your assurances that such a meeting was being sought by the Trustees and that a formal request from them was to be expected at any moment. To date however, no formal, specific request for a meeting has been received from the Trustees. We are bound to say therefore that your treatment of all of these matters in the letter to the families seems highly misleading and we believe that appropriate steps must be taken as soon as possible to correct these inaccuracies and any false impression they may have made.

Yours sincerely,

M.R. Gidden