

Cabinet Secretary for Health and Sport
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Mr Bill Wright
Haemophilia Scotland

By Email.

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Dear Bill,

Thank you for your letter of 18 May regarding the implementation of the new financial support arrangements for those affected by infected NHS blood in Scotland and progress with the recommendation of the Penrose Inquiry.

We are currently working with the Department of Health on beginning the payment of the increased lump sums and annual payments via the existing UK support schemes (the Skipton Fund and MFET) in 2016. This requires extensive amendments to the existing agreements between the schemes and the UK Government, along with amendments to income tax orders. We are obviously reliant on the Department of Health and HMRC to assist the implementation of these Scottish changes, at a point when Department of Health are busy considering their own extensive reforms to the current system. Therefore, while we are progressing this work, it is not yet possible to indicate when it will be possible to start making increased payments.

To maintain the current income tax exemptions, the amendments to the tax orders must be in force prior to commencing the increased payments and these tax orders cannot be laid in the UK Parliament until the various revised agreements have been agreed and signed by the Department of Health and the schemes. However, HMRC have been supporting the Scottish Government in taking these orders forward as soon as possible.

For those who are already receiving annual payments, we will explore with HMRC and the existing schemes whether or not it is possible to backdate the extra annual payments people with HIV and those at Stage 2 of the Skipton Fund receive. Unfortunately it will not be possible to provide backdated payments for widows/widowers/civil partners of those who have died. It also will not be possible to backdate the Hepatitis C element of the annual payment money for the small number of people who are coinfecting, but are currently at Stage 1 of the Skipton Fund (and will move to Stage 2 under the Scottish arrangements). For these two groups of people, if their payments were backdated to before the new tax orders come into force, then they would need to pay income tax on this money.

We are also investigating options regarding delivery of the new Scottish scheme and developing a transitional plan in conjunction with the UK schemes. I hope to be able to make a decision over the summer on how the new scheme will be delivered. The new scheme will be up and running in 2017.

As you know, on 18 March, I committed to undertake a further scientific and clinical review of the latest international evidence regarding the impact of hepatitis C (HCV) infection to inform the new Scottish support scheme. The review will make recommendations to Scottish Ministers regarding the validity of the current assessment criteria, in light of the most recent systematic reviews of research studies and the implications of the new, more efficient treatments. We have agreed that in considering the latest evidence, the review group should include lay people, academics or other relevant, impartial people to ensure the process is objective and fair. The members of the financial review group will be invited to give evidence based on their own experiences and the previous discussions of the group. Our current priority is to begin interim arrangements for the new Scottish payments and to get the new Scottish scheme up and running successfully. Proceeding with the review of the stages before the new Scottish scheme is delivered would be likely to delay its delivery so we will want to ensure that is on track before we begin this review. However, later this year, once the interim funding arrangements are in place, we will begin discussions on the terms of reference for the evidence review and any additional targeted research that may be required to inform it.

I know that the possibility of converting ongoing annual payments into a single lump sum is a key concern for beneficiaries and we will start work on that as soon as possible. This will involve difficult issues around informed consent, given that the ongoing widows' entitlement would be lost if a lump sum alternative was accepted and beneficiaries would need to confirm that they would not seek to return to the scheme at a later date. A final settlement option would usually take all payments received to date into account when calculating the appropriate sum.

In relation to the Short Life Working Group which is responding to the Penrose Inquiry recommendation, I believe you attended the last meeting on 5 May where a draft report was considered. Health Protection Scotland and the Scottish National Blood Transfusion Service have done a lot of work since the first meeting to gather data and consider options.

I look forward to seeing the final recommendations of the Group shortly and can assure you that I will make a final decision regarding any future action as soon as possible. I understand that the number of undiagnosed cases is likely to be small, but am well aware that quick diagnosis and access to appropriate counselling and treatment is imperative, given the length of their hepatitis C infection.



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