

Comment from the Trustees following Mail on Sunday Article of 1 January 2006

It must be very difficult for a journalist who has no background knowledge concerning the Trust to write an accurate article at short notice and at least Eleanor Mayne on this occasion did include detailed comments from two of the Trustees and from Charles Russell. There are however some important errors which need correcting.

- The headline referred to the Lawyer who “decides” payments to relatives. However Richard Vallance and Charles Russell of course make no such decisions. Their job is to ensure that all the necessary evidence is put before the Trustees so that they can make all decisions.
- The payment of £31.5m in compensation and £7.2m on legal fees includes the period before the Trust was set up. It suggests that most of these costs, calculated to 3 October 2005, had been paid to Charles Russell. However the correct breakdown is:

Charles Russell’s fees	£2,925,637.00
VAT	£525,915.00
Disbursements	£81,923.00
Other family solicitors’ fees including VAT and disbursements	£3,061,520.00
Trustees’ expenses	£260,332.15
Taxation and other expenses	£340,000.00

- The headline also made the point that carers were being paid travel expenses of 21 pence per mile and the Trustees 42 pence per mile. However the payments of 21 pence per mile were for travel before 31 March 2001, and the payments to Trustees (totalling £656) were more recent and at current rates. Both those rates are as recommended by the Inland Revenue.

The Trustees fully accept that the Trust is very expensive to run. If you read the terms of the Trust Deed, the reason for this becomes clear. The parties to the negotiated settlement did not agree fixed payments, leaving it to the Trustees’ discretion to decide different items of claim on the basis of evidence submitted. The Trust Deed itself, in the way it was written, has also caused all sorts of problems.

Progress is continuing to be made. However the Trustees appreciate that, because they are having to reject a large number of psychiatric injury claims for particular hardship given the terms of the Trust Deed, there will inevitably be further unhappiness and disappointment in some families. Hopefully the reasons for this will be understood in any future media coverage.