



Mole Valley Conservative Association's Newsletter

Issue 35; March 2010

Welcoming Note

Welcome to the March issue of the Mole Valley Conservative Association's Newsletter.

To unsubscribe to this newsletter, please contact us through the website 'Contact us' page with a subject line of 'unsubscribe'.

Our aim is to provide you with a monthly update on the work of the Conservative Association and your elected representatives. We would value your feedback or comments.

We hope you enjoy reading the March issue.

A word from the Chair

Budget blues – if only



The hammering the Government have inflicted on so many of us over this budget, last Autumn's statement and previous budgets has left us with the feeling of utter frustration – why should we continue to try and improve the lot of our families when there is a great desire by Messrs Brown and Darling to take ever more of our monies and to squander them with no improvement in the public sector to compensate for our sacrifice.

I have warned that we could hit the buffers if the profligate policies continue – we cannot all work in the state sector and have pensions funded out of current account but the Labour idea of having more than 70 per cent of people working, in some areas of the country, in the public sector may well explain the most recent Mori poll. The odds with the leading bookmakers still encourage me to believe Mr. Cameron will move into Number 10 in a few weeks time.

As a former bank Treasury Manager I would not be too happy with one of our recent ideas – namely a UK 'go it alone' extra tax on the banks. The skill base in London is considerable but it is mobile. To weaken the strong; is not a good idea we need to encourage the weak – principally Lloyds and RBS to get strong again - and a punitive tax will make it more difficult to get the taxpayers investment repaid. Let us learn from the secondary banking crisis of the 1970's when a number of upstart banks took business away from the well established banks and then when they were about to fail, the Bank of England decided to ask/tell the top banks that help was needed to "save" the upstart competitors which had been taking business away from them. A fundamental fact - only lend to those who will be able to repay!

We need to convince erstwhile Labour, Liberal and UKIP supporters that a vote for Cameron is the only sound way to get rid of Brown. We can then form a Government to work to safeguard our financial security and to ensure that a blue budget is presented in June not a budget delivered by Ed Balls or Alistair Darling.

With a working majority, let us also ensure that one of the last demands of the Chartists in 1838 is met – namely that all Constituencies should be of a similar size, which should reduce the size of the Commons by at least 50.

Please come and help us; we need Tellers, Canvassers, Committee Room help, Deliverers, poster sites, envelope stuffers and many more.



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If we help Mr. Cameron succeed we know the months ahead will be grim but at least the constant waste of our money will stop.

Mr Colin Crispin
Chairman, Mole Valley Conservative Association

News from the House of Commons

Stopping the spread of Variant Creutzfeldt-Jakob Disease



On 18th March, I had the fortune of being chosen, via ballot, by the Speaker to present an adjournment debate about vCJD and the threat it continues to pose due to the spread of infection via blood transfusions.

Sir Paul Beresford (Mole Valley) (Con): Thank you for giving me the opportunity to have this debate, Madam Deputy Speaker, which I have been chasing for a wee while, as I suspect the Minister is aware. I apologise to the Minister that she will be the last man standing this evening—that is not a gender mistake but an old saying. I must declare an interest: I am a very part-time dentist, and this matter faintly touches on that. In fact, dentists have been affected to some degree by the recent rules introduced by the chief dental officer.

I should like to do a little scene-setting, to which I expect the Minister to add. Variant Creutzfeldt-Jakob disease is rare at the moment, but it is an incurable, fatal human disease that is caused by protein particles called prions. It causes a spongy degeneration of the brain and ultimately death. As I said, there is no cure. In contrast to the traditional forms of Creutzfeldt-Jakob disease, vCJD seems today to have affected younger patients. Normally, older patients are affected. That at least appears to be the fact with the original causal link with bovine spongiform encephalopathy in cattle. However, that cause seems to have been eradicated, so transmission now is predominantly from individual to individual, through blood transfusions, organs or surgical equipment. It is known that the transmission from human to human through, for example, blood transfusion, is 100 times more efficient than from species to species.

Carriers of vCJD frequently spend their whole lives as carriers without developing the disease or even knowing that they are carrying it. Unfortunately, it is currently not possible to detect carriers, many of whom are almost certainly present in the population of regular blood donors and patients who undergo different forms of surgery. Logically, that means that unless extensive preventive measures are combined with detection, the population of carriers must increase, which potentially creates a devastating hidden time bomb of vCJD in the decades ahead.

The estimate of the prevalence of individuals incubating vCJD today varies from one in 4,000 to one in 20,000. That comes from the Hilton study, which is based on tests on tonsils and appendix samples. Perhaps it is more disturbing that the UK and Ireland almost certainly have the largest per head of population reservoir of that prion in the world. That explains why UK citizens and even tourists who have visited the UK are not acceptable as blood donors in many countries. It is thought that the incubation period of vCJD is decades. Indeed, if it is like kuru, a similar disease found in Papua New Guinea, it could have an incubation period of up to 40 years from the time of exposure to onset of



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symptoms. Regardless of the prevalence, it is almost certain that this country will have a considerable number of cases in years to come.

To make matters worse, because vCJD is so difficult to detect, it is fairly certain that the Hilton study was not 100 per cent. accurate or effective in detecting incubating cases. Having very briefly and in simplistic terms set the scene, it is important now to turn to what the Government can and should be doing to combat this potential disaster which will hit our children and grandchildren. Obviously, it would be absolutely fantastic if a cure could be developed tomorrow and an early step made towards a detection method. I hope that Government funding is being made available for that. However, I suspect that we are a long way off from either a cure or a detection method, and prevention of transmission is the utmost priority. Indeed, it is the only thing that we can do at the moment.

With the removal of mad cow disease, transmission now is from individual to individual via blood. The Government have a blood safety advisory body called the Advisory Committee on Safety of Blood, Tissues and Organs, or SaBTO for short. In 1998, leucodepletion was introduced by the UK blood service as a first step in reducing variant CJD infectivity. That process filters blood destined for blood transfusion and removes white blood cells. It was a very useful first step, but at best it only provided a 40 to 70 per cent. reduction in infectivity of donated blood.

In July 2009, SaBTO recommended that UK-sourced blood plasma should not be used for transfusion and should be replaced with plasma sourced from other countries with a much lower risk of variant CJD. However, in October the committee recommended the use of a recently developed prion filtration system. That has been produced by MacoPharma, a medical device technology company. The filter is called a P-Capt filter and has been designed specifically to work directly with the existing technologies used by the UK blood service. It has been CE marked since 2006, some four years ago. This means that it has passed EU safety and efficacy testing, as required for it to be legally used in the United Kingdom.

The filter has been under review by the predecessor committee to SaBTO since 2004 and also by SaBTO since its formation in January 2008. In October 2009, SaBTO recommended several changes. First, it accepted that there was a recognition that further measures to protect the UK blood supply and prevent the spread of variant CJD through blood transfusions should be introduced. Secondly, it said that there was "now sufficient evidence" that the P-Capt prion reduction filter "reduces infectivity" and successfully cleans blood to remove the infective prions that carry variant CJD.

Next and most significantly, the committee recommended that the P-Capt filter should be introduced for filtering the red cells that will be given as blood transfusions to those born since 1 January 1996, with the rider that that should be subject to the completion of the PRISM-platelet receptor inhibition for ischemic syndrome management-trials. The fourth recommendation was that the requirement for prion filtration should be reviewed in the event that further data on variant CJD prevalence or filter efficacy became available. Although I recognise that the logistics and finance need to be fully assessed, to my mind this is an absolute must and requires considerable urgency. Personally, I see it as a first step towards filtering all blood from all donors. There is absolutely no reason why these initial steps should not be implemented immediately and the PRISM trial continued alongside. Hand in hand with this approach, the Department of Health has introduced other measures in other areas, and I give it credit for doing so.



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The other logical means of transmitting the prion is surgery, especially with re-used stainless steel equipment, even if it is sterilised. This concern arises from the fact that the prion is extremely difficult to remove from stainless steel and can often survive standard autoclave sterilisation. Even so, when I discussed this with Professor Pennington, who is an expert on the subject, in October 2007, he pointed out that there was no evidence at that time of iatrogenic transmission. That, I suspect, is down to the fact that it is extremely difficult to find the prion and to get any evidence, certainly in the short term.

I suspect that the reason for the professor's opinion is that it is extremely difficult to detect the prion. However, there is a feeling-correctly-that the precautionary principle should be applied, although hopefully in a sensible manner.

With that in mind, I draw the Minister's attention to the decision in April 2007 by the chief dental officer that dentists should not reuse endodontic reamers and files-by that, I mean single-patient use. This, I understand-I may be corrected-was derived from research on mice that were particularly susceptible to variant CJD. The basis of this thinking is that the removal of the prion from stainless steel reamers is difficult, as I think we all accept. Stainless steel reamers are cheap and so not a particular economic problem, even for dentists claiming that their fees are not large enough.

Nowadays, however, most endodontists, or those doing serious amounts of endodontics, are using nickel titanium reamers. A number of specific designs are used in different techniques. Reputable nickel titanium reamers are expensive. I also understand that cleaning the prion off nickel titanium is much easier than taking it off stainless steel. Treatment for a tooth that needs endodontic treatment is therefore made very much more expensive. It is time-consuming if done properly, especially if molar root canal is involved. The unit of dental activity award for molar root canal is small, especially when compared with the alternative treatment, which is extraction using-surprise, surprise-stainless steel forceps, where the same prion difficulty would apply. That might explain the apparent increase in NHS extractions and reduction in NHS endodontics - I expect a letter from the British Dental Association telling me I am wrong.

A number of questions arise. Many stainless steel instruments and burs are used in dentistry, including forceps. If the research on these susceptible mice was so conclusive, one questions why the chief dental officer chose those reamers and whether he thought about extending his ban further. Of course, if he did, he would have to face the problem of probability versus application of the ban versus cost. Should the ban apply only to stainless steel reamers? Should it not be applied to nickel titanium? In 2007 D-Gen and DuPont produced a new prion disinfectant called RelyOn prion inactivator to remove or de-activate the prion on instruments. I would be interested if the Minister could tell me-if not tonight, certainly in a letter-whether that product has been tested, because if so, it would be sensible to introduce its use into the new onerous disinfection and sterilization regulations that dentists are now facing, before the regulations are finalised. That would be better than landing it on a beleaguered dental practitioner after he has installed the equipment for major changes that are coming through.

In 2001, the Department of Health allocated £200 million to modernise NHS surgical decontamination, along similar lines to that descending on dentists now. Attempts have been made to produce single-use instruments for some surgery, and I understand that plastic instruments were developed for tonsil surgery but proved a failure. New rules have also been brought in on contact lenses, and it would be interesting to see whether those would be applicable or useful.



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However, the way forward has to be blood transfusion filtering. Some 1.8 million blood units are donated in the UK annually, and SaBTO has recommended the immediate P-Capt filtering of all blood for children. In the Prime Minister's letter to me, on 11 February, following my question on this subject, he said that the introduction of the filter should be subject to the satisfactory completion of a clinical trial. I assume that he was referring to the ongoing-long ongoing-PRISM study. I understand that the study is way behind schedule. There are previous studies-I can draw the Minister's attention to them, if they are not in her notes-and, as I have said, the filter has a CE mark.

I ask the Minister to move now on blood filtering, initially for children and then for all. If it is good enough for the Department of Health to use the precautionary principle for endodontic files after questionable thought, the same principle should be applied to blood transfusion filtering. Action on endodontic files is essentially fiddling around the edges. Blood transfusion filtering is central to reducing or stopping blood transfusion transference of prions, to the benefit of future generations. I am sure Health Ministers would not like to be named in what I will call an "If only we had" report in 20 to 40 years, when people are dying from variant CJD.

Sir Paul Beresford
Member of Parliament for Mole Valley

Report from Guildford Borough Council

The future of Guildford House



A decision to review the location of the Borough's art gallery has hit the headlines this month and resulted in some unwarranted concern about the future of Guildford House, one of the most historic buildings in the High Street.

As the lease for the Borough's Tourist Information Centre (TIC) is up for renewal, officers have been looking at the most cost-effective way of providing this service, together with the provision of the Borough's art gallery. For many years, arts groups in Guildford have complained that the existing gallery space, located in Guildford House on the High Street, was not a good location for a gallery. It has poor disabled access and a layout that is not best suited to the display of works of art.

When 170 High Street (the old Thorpe's Bookshop), which is owned by the Borough, became available, officers saw the opportunity to relocate both the TIC and the art gallery into a space that would be better for both. This meant that alternative uses for Guildford House needed to be investigated – that's where the problems started!

Some local groups have expressed concern that Guildford House would no longer be open to the public in this scenario and hence, have strongly opposed the relocation. We have made clear that no firm decisions have been made to date and that all options will be considered. Even so, we are still being told by residents that the council has decided to sell Guildford House – not true!

This story still has further to run, but councillors are fully aware of their obligations towards the preservation and management of historic buildings in our care and will work hard to ensure that the final decision we take is in everyone's interests.

Cllr Andrew French
Deputy Leader, Guildford Borough Council



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Feature Article

The 2010 Budget

David Cameron said some Budget measures had been borrowed from the Conservative Party, but that the Budget as a whole did not constitute much-needed real action. Responding to the Chancellor, the Cameron told the Commons, *“Labour have made a complete mess of the British economy and they are totally failing to clean it up. Labour say ‘don’t do anything before the election, let’s just sit tight and keep our fingers crossed’, and the Conservatives say ‘we need real action to get our economy moving – and urgently’.”*

ECONOMIC FORECAST

- The **National Debt** is forecast to double from £776 billion this year to **£1.4 trillion** in 2014-15.
- **Net borrowing** is forecast to be **£167 billion** this year, £10 billion less than predicted in December’s PBR. **Total borrowing** between now and 2014-15 is forecast to reach **£734 billion**
- **Growth** next year is predicted to be **1 – 1.25 per cent**, a slight downward revision on the upper end of December’s forecast. **Treasury growth projections for 2011 are revised downwards slightly** from 3.5 per cent to **3 – 3.5 per cent**. However, this is still significantly above the average independent forecast of 2.1 per cent.

TAX MEASURES

Two-year stamp duty relief for first time buyers - A two-year stamp duty land tax relief for first-time buyers for residential property purchases up to £250,000 to help reduce the upfront transaction cost faced by this group will come into force from midnight tonight. Budget 2010 also announced the introduction of an additional 5 per cent rate of stamp duty land tax for residential property over £1 million from 2011-12. Conservatives first proposed abolishing stamp duty on homes under £250,000 in 2007. They have proposed using some of the proceeds from an annual levy on non-domiciled workers to exempt first-time buyers from paying stamp duty – meaning nine out of every ten first-time buyers would have paid no stamp duty.

Inheritance Tax Threshold frozen - The freeze in the inheritance tax allowance of £325,000 will be extended until 2014 – 15. Conservatives would raise the Inheritance Tax threshold to £1 million.

Fuel Duty increase ‘staged’ – Fuel Duty is set to increase by 1 penny per litre on 1 April 2010, 1 penny per litre on 1 October 2010 and 0.76 pence on 1 January 2011. The duty will increase 1 penny per litre in real terms on 1 April from 2011 - 2014. The Government said it would stage this increase to ease the burden on families and businesses. Conservatives are concerned that this move will further squeeze family budgets. They have promised to keep fuel duty under review and are consulting on a stabilising mechanism to soften the impact of steep fuel price rises in the future.

Tax Allowances for pensioners increased – Personal allowances for those aged over 75 will be increased from £9,640 to £10,000 from April 2011.

Child Tax Credits increased - The Government will raise the level of the child element of the Child Tax Credit by £4 per week for each child aged one or two. Child maintenance will no longer be considered as income for income-assessed benefits. The Conservatives are supportive of Child Tax Credits but would scrap the benefit for families with incomes over £50,000.

Tax evasion and tax information exchange - The Chancellor announced new tax agreements with Belize, Grenada and Dominica. The clampdown is projected to raise £500million. This measure



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includes penalties of up to 200 per cent of tax due for 'deliberate and concealed evasion'. Conservatives are supportive of measures which clamp down on tax evasion and money laundering and have pressured the Government for further exchange of information agreements.

BUSINESS SUPPORT

One year increase in the level of small business rate relief. To provide help with the fixed costs of starting and running a small business, the Budget announced that the Government will fund a temporary increase in the level of small business rate relief in England, so that eligible small businesses occupying properties with rateable values up to £6,000 will pay no business rates for one year from October. In addition, small businesses benefiting from the rate relief taper (rateable values up to £12,000) will receive significant reductions. Conservatives will make small business rate relief automatic to reduce admin costs and encourage take up. Conservatives have said that any new business started in the first two years of a Conservative Government will pay no Employer National Insurance on the first ten employees it hires during its first year.

Bank lending to small businesses. The Government has agreed with Lloyds and RBS to lend £105 billion to homebuyers and businesses over the next 12 months. £41 billion of this will be lent to small businesses. Conservatives say they will use Government guarantees to create more diverse sources of affordable credit for SMEs, building on our proposals for a big, bold and simple National Loan Guarantee Scheme.

Creation of a Small Business Credit Adjudicator. The Government says this will ensure that small businesses are treated fairly when applying for finance from banks. The Adjudicator's judgments will be enforceable through statutory powers. Conservatives have said they will use Government guarantees to create more diverse sources of affordable credit for SMEs, building on our proposals for a big, bold and simple National Loan Guarantee Scheme.

Launching UK Finance for Growth. UK Finance for Growth is designed to oversee £4 billion of the Government's SME financial products including the Growth Capital Fund. This will provide a new source of finance to SMEs that require between £2 million and £10 million of capital for investment and growth. Conservatives have said they will reform the system of R&D tax credits in line with the recommendations of the Dyson report in order to make Britain Europe's leading hi-tech exporter.

CONSUMER FINANCE

Access to bank accounts becomes a 'universal service obligation' - The Government has introduced a new 'universal service obligation' which gives people the right to a basic bank account provided they fulfil certain terms and conditions. In October 2009 the Government announced it had met its shared goal to halve the number of adults without access to current accounts. It is intended that over the next five years, up to one million people will have access to bank accounts.

Doubling ISA limits from 5,100 to 10,200 from April 6. This will rise annually throughout the next Parliament, with ISA limits being indexed in line with the retail Prices Index (RPI). Conservatives have pointed out how household savings have collapsed in the last decade, with the average household saving ratio falling from 9.2 per cent in the 1990s to 3.9 per cent in the 2000s, consistently one of the lowest in the OECD. Conservatives have said that they will restore our savings culture and encourage people to save more for retirement, working with employers and industry to support auto-enrolment into pensions for those on middle and lower incomes and stopping the spread of means-testing by restoring the link between the state pension and average earnings.



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EFFICIENCY SAVINGS

Public Sector pay increases capped. The Government plans to reduce the pay bill for senior civil servants and limit public sector pay settlements to a maximum of 1 per cent for the two years from 2011. On pay setting for senior staff, Budget 2010 announced that the Government is accepting the results of the Senior Salaries Review Body review of senior pay in the public sector including a new Code of Practice on senior pay setting. Conservatives have called for a public sector pay freeze, except for the lowest paid.

Individual Departmental Savings published alongside Budget. Details of £11 billion worth of savings from 2011 onwards are published alongside the Budget. Conservatives have said that the Government should set out plans to reduce the administrative costs of Whitehall bureaucracy and quangos by at least one third. This would reduce government spending by £3 billion a year by the end of the next Parliament, or by more than £7 billion over the Parliament, the Party says.

Relocation of Civil Service posts. In the long term that a third of civil servants in London will be reduced and as a first step 15,000 posts will be relocated within the next five years. This includes 1,000 posts moved from the Ministry of Justice from central London saving and estimated £41 million. Conservatives want to create an efficient and accountable Civil Service by increasing transparency across the Civil Service and central government. Conservatives will require every department to publish a business plan, listing its key priorities, how it intends to achieve them and how it will measure achievement. The Party says this will expose the costs of policies to the public, promote easily intelligible, comparable information on the relative performance of departments and lay out clearly what their sponsored quangos do and how much they cost.

Asset sales and to raise £16 billion. The Chancellor said the Government was making progress on the delivery of £16 billion worth of savings through assets sales including appointing advisers to develop a sales proposal of the Student Loan Portfolio, the launch of the sale of the Tote and the finalisation of options for the sale of the Dartford Crossing.

ENERGY

'Green Bank' announced - The Budget announces the creation of a Green Investment Bank that will support private investment in low-carbon infrastructure projects. £1bn of the fund will come from public funds, raised from the sale of assets, and at least £1bn will come from the private sector. Conservatives have also announced that a Conservative Government would act to help mobilise investment by creating a Green Investment Bank. Their Bank would consolidate within a single institution the existing disparate sources of public investment.

Offshore Wind - The Budget allocated £60 million for the development of UK ports to support offshore wind turbine manufacturers looking to locate new facilities in the UK. Renewable energy has a vital part to play in the security and sustainability of our energy systems. Offshore wind has the potential to become Britain's largest natural energy resource. Its development will play a significant part in meeting the UK commitment to source 15 per cent of our energy from renewables by 2020.

Central Government Carbon Emissions to be cut – This Budget commits all Government departments to reduce their carbon emissions by 30 per cent by 2020. Conservatives have said they would cut central government's carbon emissions by 10 per cent within 12 months if they came into office, saving up to £300 million a year in reduced energy bills.



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SOCIAL SECURITY

Young Persons Guarantee Extended - The Young Person's Guarantee (YPG) will be extended to run to March 2012 instead of March 2011. The YPG is intended to guarantee a Future Jobs Fund job, training or work experience to unemployed young people aged 16 - 24 after six months, although in the small print, it is not mandatory until 10 months. Conservatives proposals to support unemployed young people through the *Youth Action for Work* would offer support at six months.

Housing Benefit reform – Housing Benefit is calculated based on the median of rents within a local area. The most expensive properties will now be excluded from Housing Benefit calculation in each area. Conservatives believe that amounts spent on Housing Benefit and Local Housing Allowance should be reasonable and that it is essential to move towards a simpler, fairer benefits system.

Additional Payments alongside Winter Fuel Allowance – Winter Fuel Allowance is set at £250 for a single person above the female state pension age and £400 for a single person aged 80. Additional payments alongside the Winter Fuel Allowance will continue to be paid, worth £100 to households with someone aged over 80 or £50 if someone is over the female state pension age. Conservatives have pledged to preserve the Winter Fuel Allowance.

Support for Mortgage Interest. The Government estimates that the temporary freeze in the Standard Interest Rate used to calculate Support for Mortgage Interest payments has helped homeowners who have experienced a fall in income to remain in their homes. The Standard Interest Rate will be maintained at 6.08 per cent for a further six months, benefiting around 220,000 homeowners. Targeted help via the Mortgage Rescue Scheme and Homeowner Mortgage Support will continue into 2011.

UNIVERSITY FUNDING

20,000 additional university places - The Budget announced a one-off £270 million University Modernisation Fund, to fund 20,000 more university places, largely in subjects like science, engineering, technology and mathematics. Conservatives have already promised to create an additional 10,000 university places, funded through incentivising the early repayment of debt by existing graduates.

DEFENCE

Funding for military operations in Afghanistan - As announced at the 2009 Pre-Budget Report, for 2010-11, an additional £2.5 billion will be added to the Reserve to ensure that sufficient funding is available for military operations in Afghanistan. The 2009 Pre-Budget Report committed to further real terms increases in the defence budget in 2010-11, at which point it will be over 12 per cent higher in real terms than in 1997. By the end of 2009-10, more than £18 billion of Reserve funding will have been spent on resourcing the Net Additional Costs of Military Operations in Iraq and Afghanistan. Of this, over £5.5 billion has been committed to spending on urgent operational equipment to meet the specific threats and requirements of those theatres. This is additional to the core defence budget.

INFRASTRUCTURE

£250 million for road repairs - The Government has allocated a fund of £100 million to help repair local roads following the effects of the recent cold weather (local roads repairs are normally funded through local authority budgets). The Government has also announced it will invest £250 million in the road network to improve capacity.



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News in Brief

MP challenges Minister on Equitable Life

On 16th March, Sir Paul took part on a debate in the House about Equitable Life, asking questions on behalf of his constituents.

Sir Paul Beresford (Mole Valley) (Con): I thank the Minister for the letter that he sent to each member of the all-party group, which I found quite useful. In that response he states: "I am currently of the view that it is neither desirable nor administratively feasible to means test every individual policyholder."

Does that mean that the payment, whenever it comes, will directly relate to the pension that policyholders paid for and expected but did not get, or can we anticipate some other artificial reshuffle of the moneys paid?

Mr. Byrne: I will come to that point directly slightly later in my remarks. First, I want to repeat the apology to policyholders for the delay. This was an apology first made by my predecessor, now the Secretary of State for Work and Pensions. I would also like to repeat what I put on the record in our first debate in October, which was a word of thanks to the parliamentary ombudsman for her work. It is right and appropriate for the Government to record our gratitude for her work. Her report was substantial, careful and sympathetic, and it contained a weight of analysis that reflects the complexity and scale of the issue. It took

the ombudsman four years to put together, but it demonstrated a commitment to get to the heart of a difficult issue. It is also fair to say that we did not wholly agree with the ombudsman's conclusions, although on many things we did agree. In nine out of 10 of her findings we agreed wholly or in part with the charge of maladministration, and in five areas we said that we believed that injustice followed. So it was not to provide a compensation for regulatory failure, but to answer an ethical demand for help that the Government proposed an ex gratia scheme be set up.

Sir Paul Beresford: The Minister has nicely said, as far as I can tell, that he is not interested in means-testing. However, does he envisage a payment that is directly related to that which the policyholders anticipated but did not get, even if it is a proportion of the amount, or does he have some other artificial way of changing it?

Mr. Byrne: The answer is yes-Sir John Chadwick has tried to compare the relative losses of different classes of policyholders. Let me conclude by saying that all Members of this House will have constituents who have been affected by the injustice of Equitable Life, which now stretches back almost two decades. We are committed to acting urgently and fairly, even in the current fiscal climate. That approach is reflected in the Government's proposed amendment to the motion.