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10 DOWNING STREET

From the Principal Private Secretary

24 December 1984

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ACT 2000

Thank you for your letter of 1 November about the proposed award to the widow of the late Kenneth Whitty, the British Council official who was assassinated in Athens earlier this year. David Willetts of the Policy Unit here has discussed the figures with Bill Sinclair in the Treasury, and I understand that the Treasury have decided that they can increase the amount of

The Prime Minister has now studied the calculation in detail on the basis of the figures in the attached note. She believes that the right approach is to ensure, so far as possible, that Mrs. Whitty receives an amount of compensation which gives her the financial benefits which she would have received from her husband if he had not been assassinated. She understands that the figures have been prepared on that basis. But she notes that no allowance for future inflation appears to have been made either in estimating what Mr. Whitty's income and allowances would have been or in offsetting the benefits provided by the state. She thinks that an assumption about inflation should be incorporated on both sides of the equation and Mrs. Whitty should be entitled to ask for a review if the inflation assumption subsequently turns out to be inadequate. She would certainly think it wrong if, having made the calculation without allowing for inflation on either side, the Treasury have used a discount rate based on nominal rather than real interest rates.

I should be grateful if you would arrange for me to be given a note on these points as soon as possible. The Prime Minister is conscious of the time which is elapsing and would like Mrs. Whitty to be told of the amount of the award to her. If the point raised above looks likely to cause any substantial delay, perhaps we should authorise the British Council to give Mrs. Whitty an assurance that the award will be at least

I am copying this letter to Len Appleyard (Foreign and Commonwealth Office) and to David Willetts in the Policy Unit here.

E. E. R. BUTLER

Richard Broadbent, Esq.,
Chief Secretary's Office.



cc DW
file to

10 DOWNING STREET

From the Principal Private Secretary

11 January 1985

THE LATE MR. KENNETH WHITTY

Thank you for your letter of 7 January.

As it happened, I was due to see Sir John Burgh on 9 January, and I handed him a letter on the lines of your draft. A copy is enclosed. The way is now therefore open for the Treasury to write to the British Council as proposed in your letter. The Prime Minister looks forward to hearing your conclusions on the way in which the calculation should provide for future inflation.

I am copying this letter and the enclosure to Len Appleyard (Foreign and Commonwealth Office).

RSB

Richard Broadbent, Esq.,
Chief Secretary's Office,
H.M. Treasury.

CF



Treasury Chambers, Parliament Street, SW1P 3AG

Robin Butler Esq
Private Secretary
No. 10 Downing Street
London
SW1

7 January 1985

Dear Robin -

THE LATE KENNETH WHITTY

Thank you for your letter of 24 December about the compensation to be paid to the widow and dependants of the late Kenneth Whitty.

The general basis of the calculation is, as you suggest, to give Mrs Whitty the financial benefits which she would have received if her husband had not been assassinated. The calculation is one akin to damages under common law. In making the estimate however we are following the conventions of the Criminal Injuries Compensation Scheme which we are applying by analogy, and before giving an answer to your detailed questions about discount rates etc, we would like to consult further with the legal advisers who have been advising us on the operation of the scheme.

Meanwhile, the Chief Secretary accepts your suggestion that the British Council should now be authorised to tell Mrs Whitty that a further award of _____ is being made. If the Prime Minister agrees, we can arrange ... this. I attach a draft letter which could at the same time be sent to Sir John Burgh bringing him up to date with developments.

I am sending copies of this letter to Len Appleyard and David Willetts.

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Yours ever
Richard Broadbent

R J BROADBENT
Private Secretary

DRAFT LETTER FROM PRINCIPAL PRIVATE SECRETARY NO. 10
TO SIR JOHN BURGH BRITISH COUNCIL

THE LATE KENNETH WHITTY

At the dinner which the Prime Minister gave for the British Council, you mentioned the compensation which is to be paid to the dependants of the late Mr Kenneth Whitty who was assassinated in Athens last year. As you mentioned in your subsequent letter, the Treasury has been considering the matter with the help of advice from Counsel.

The determination of an award is a complex business, and there are still a number of points which the Prime Minister intends to enquire into further. But I thought you would like to know that there will definitely be a further award [redacted] to Mrs Whitty in addition to the benefits payable under the occupational scheme and from social security. This proposed award takes into consideration the future schooling needs of the children, including the loss of Boarding School Allowance which was the matter which had earlier caused concern.

The Treasury will shortly be writing direct to the British Council giving the details to enable this award to be made. We will be in touch with you again as soon as the remaining outstanding points are settled.

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