

To: SoS  
PS (VP)

From: NR NR  
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 Protection Policy  
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**VACCINE DAMAGE PAYMENT SCHEME – OPTIONS FOR INCREASING PAYMENT AMOUNT AND BACKDATING TOP-UPS**

|                       |   |
|-----------------------|---|
| <b>Issue</b>          | <p>The Vaccine Damage Payment Scheme (VDPS) was established in 1979. Its aim is to provide financial support to individuals where a specific vaccination, including COVID-19 vaccines, is adjudged to have caused severe disablement.</p> <p>You requested options to increase the VDPS payment amount from the current £120k, last updated in 2007. This would address a key criticism of the scheme.</p> <p>This note provides estimates of existing liabilities within the VDPS in light of high numbers of COVID-19 claims and an overview of options to increase the payment amount, including financial impacts, benefits and risks. It also includes options for backdating top-ups to the payment to some past recipients should you wish to increase the payment amount going forwards.</p>  |
| <b>Timing</b>         | Routine (3-5 working days)  |
| <b>Recommendation</b> | <p>It is recommended you:</p> <ol style="list-style-type: none"> <li>a. <b>Note:</b> The extant risk of pressure to the VDPS budget at the current payment value (£120k), due to the significant increase in number of COVID-19 related claims and uncertainty of rates of successful claims within this group.</li> <li>b. <b>Note:</b> Options for increasing the payment amount of the VDPS and backdating top-up payments, based on updated modelling to take account of increasing volumes of claims and numbers of severe adverse effects (SAEs).</li> <li>c. <b>Note:</b> The recommended <u>policy</u> options:             <ol style="list-style-type: none"> <li>i. To increase the payment of £120k by uprating this by the Gross Domestic Product (GDP) deflator measure of inflation (option 3), which would take the payment to ~£157k as there is a clear, defensible, rationale for it.</li> <li>ii. If increasing the payment, to backdate top-ups to payments for claims made after 31 December 2020 (option C), the point at which COVID-19 was added to the scheme.</li> </ol> </li> <li>d. <b>Note:</b> That any increase to the VDPS payment and backdating claims would represent an additional cost pressure between £1.2m and £8.9m, on top of the unknown budget pressure from high COVID-19 VDPS claim volumes. Any decision to take this forward will need to balance the additional cost plus the pressure from claim volume, against competing unfunded priorities and Departmental overcommitments.</li> </ol> |