

Brian Bender  
Permanent Secretary

6 January 2009

## ICELANDIC WATER TRAWLERSMEN SCHEME

Thank you for your note of 5 January, setting out your concerns as Accounting Officer on the lack of legislative cover for the new Icelandic Water Trawlersmen Scheme.

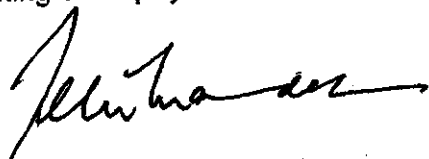
I appreciate that you need specific legislative authority on which to base any payments under the new scheme. However I am clear that we should now comply with the findings of the Ombudsman as quickly as possible. She found that some claimants under the previous scheme had received unfairly low payments, because of the rules on breaks in service, and recommended that we review the eligibility criteria and scheme rules.

We have now completed that review and concluded that we should run a new scheme, with additional payments calculated on the basis of aggregate service on vessels that fished in Icelandic waters. This means that the breaks rule can be removed and will better align the scheme rules with our policy intentions.

To delay the new scheme, possibly for several years, until suitable legislation can be enacted, would be unacceptable. It would meet neither the clear recommendation of the Ombudsman, nor the agreed policy of the Government. There have already been substantial delays since the previous scheme and it must be right that we now make the additional payments to trawlersmen as quickly as possible.

In the circumstances I believe that the Treasury's objection is technical and that it is right to overrule it. Parliament has already made clear, at a PAC hearing, that it believed the previous scheme was badly designed and implemented, and many of its concerns echoed those of the Ombudsman. I therefore think that the spirit of the concordat has been respected in that our new scheme is designed to correct the failings of the previous scheme and address the Ombudsman's recommendations.

I therefore formally direct you to proceed with the new compensation scheme, making such payments to former trawlersmen as are appropriate.



PETER MANDELSON