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TRANSCRIPT OF "FILE ON 4" - CRIMINAL INJURY

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ACTUALITY OF MEMORIAL SERVICE MUSIC

O’HALLORAN: Families, friends and rescue workers commemorating the victims of the July 7th London bombings.

ACTUALITY OF SERVICE

MINISTER: We come to this cathedral to remember before God those who died and those who were injured.

O’HALLORAN: For hundreds of people hurt in the attacks, the task of rebuilding their lives goes on. To help them do that, the Prime Minister himself intervened in September to speed up their compensation payments. But File on 4 has learned that some victims of a London pub bombing in 1999 have waited years for their awards. And for a woman who was brain damaged in another violent attack, it’s taken nine years to get a realistic offer. Each year around 65,000 people injured in violent crimes apply for compensation. But some victims and their lawyers say their claims have been passed from pillar to post, as one delay follows another. So is the whole criminal injuries compensation system in need of overhaul? And have both the processing of claims and the value of awards been hit by tight controls on public spending?

SIGNATURE TUNE

ACTUALITY IN SOHO

MAN: Move! Everybody move!

O'HALLORAN: On the night of April 30th 1999, this street corner in Soho was plunged into chaos, terror and bloodshed, as drinkers from the Admiral Duncan pub staggered and stumbled from a bomb blast, some with drinks still in their hands. A badly wounded man lay on the pavement across the street from the pub. Three people were killed here and more than seventy injured by the bomber who targeted London's gay community.

REID: I ordered a half pint, I remember taking perhaps one, two sips, and then my next memory is of thinking there's something really strange, something really weird happening here. I was leaning against the bar, and I looked across and it was just completely blackened, just blackened boards in front of me, wisps of smoke and I felt myself falling. I don't remember anything after that until I woke five weeks later.

O'HALLORAN: Gary Reid, a psychiatric nurse, was to spend 51 weeks in hospital. As he returned to consciousness he was told he'd lost a leg in the blast, but it took him a long time to understand the extent of his injuries.

REID: It was pretty obvious that my arm had been very badly damaged. I had about five or six big steel pins poking up through it. Very badly burnt. Apparently I was unrecognisable, just very black, very swollen. I don't remember that, of course. I do remember my hair being burnt into my scalp. The first injury that really hit home was, I guess, the leg. It's very hard to look down and not understand that your leg has gone. One of the things that really brought it home that I was missing a leg was attempting one day to get out of bed and just falling to the floor, because there was no left leg there to support me.

O'HALLORAN: As Gary Reid sits in his wheelchair at his home a couple of miles from Soho, he's outwardly cheerful and lacking in bitterness. But he's unhappy about compensation. While still in hospital, he applied to the Criminal Injuries Compensation Authority. It operates on a tariff system - a scale of payments ranging from a thousand pounds to a quarter of a million. Loss of one arm, for instance, is valued at £44,000. In very serious cases, up to another quarter of a million can be paid out for care, lost income and so on. But that, says Gary Reid's solicitor, Ed Myers, can make things complicated.

MYERS: An offer like this is made up as a process of a series of calculations. The calculations refer to past and future loss of earnings, the past care that Gary has required and the care that he will need in the future. Adaptations to his property, equipment, given that he now has a wheelchair, and I reviewed in detail the calculation made by the authority and I felt that there was some fundamental errors in the way that they made that calculation.

O'HALLORAN: The authority offered Gary Reid over £200,000 but when his lawyer queried the calculation, the award was revised sharply down. He's had interim payments of around £17,000. But six and half years after the bomb he's still awaiting the main award. Ed Myers, who's represented others gravely injured by the Soho bomb, says several have waited four years or more for payment. He says the Criminal Injuries Compensation scheme and its staff are not equipped to deal with the volume of information needed to assess a victim with complex injuries.

MYERS: In order to assess compensation, the authority must have expert medical evidence from doctors who can give the assessor an idea of the extent of the injuries and also the prognosis, what is likely to happen in the future. In a straightforward injury case this can be done quite simply, but in a complex injury case it requires instructing a number of different doctors in different disciplines and assessing a variety of medical reports.

O'HALLORAN: What should be done in complex cases by the authority, do you think, that wasn't done in Gary Reid's case?

MYERS: I think the authority need to completely review how they deal with catastrophic injury cases. It is simply not possible or indeed acceptable for the authority to treat injuries such as amputations, 65% burns, chronic psychological injuries, internal injuries in the same way that they may assess a broken arm. There is a systematic failure by the authority to deal with these very large cases. These are individuals who have lost limbs, who have lost livelihoods. These are people who I think the system at present, in the form of the Criminal Injuries Compensation Authority, are manifestly failing.

O'HALLORAN: Gary Reid himself says he was glad to hear that, after Tony Blair's intervention, payments to the July bomb victims were being speeded up. But he hopes it's not a one-off event, to help a limited group of crime victims.

REID: I think it would be for a start very unfair that this one incident that the Prime Minister himself has taken an interest in should be treated any differently from myself. If it's only these people who are going to be fast tracked and dealt with in such high profile case, I see it as a real injustice to the people who are still waiting for criminal injury compensation or in the future may suffer at the hands of a criminal through no fault of their own some injury, and will have to go through the same process as myself.

O'HALLORAN: At the Criminal Injuries Compensation Authority, extra staff have been taken on to deal with more than 270 claims from the July bombings. And the government has supplied an extra £5 million for pay-outs. The authority's chief executive, Howard Webber, says that fast-tracking those victims won't slow things down for tens of thousands of other claimants. He says the vast majority of the Soho bomb victims have had the awards due to them. In the case of Gary Reid, he says the authority shouldn't bear all the blame.

WEBBER: I understand the frustration of any individual applicant and it's difficult to talk about individual cases. I believe in that case we made an offer six months ago, and it's actually Gary Reid's solicitors who have asked for more time to provide information because they wish to question the offer we've made.

O'HALLORAN: But still it appears that the vast bulk of this delay, or the time taken, is down to the authority.

WEBBER: In some cases that's true. I would not say in that particular case it was true. The scheme is set up so that, apart from the tariff award for pain and suffering, we pay only what is not available from other public sources. In Gary Reid's case, for instance, it took more than fifteen months to find out what was available from local authority social services, because they did not respond to our letters.

O'HALLORAN: But isn't it worrying that Gary Reid's lawyer feels the system has manifestly failed major victims of the 99 Admiral Duncan pub bombing?

WEBBER: I'm always unhappy if any applicant or their representative feels that they've not been well treated. I would always like us to be able to settle cases as quickly as possible, and whenever there's a delay it's unfortunate. If the net result is that the applicant is left waiting, it's highly unfortunate and I do regret it.

O'HALLORAN: And that view would be shared by a claimant, whose wait for compensation dwarfs even the delays suffered by some Soho pub bomb survivors. Although she wasn't a victim of terrorism, her injuries were certainly catastrophic.

TRACY: It affected me in lots of ways: not being able to take my children to school, not being able to go out, it's just destroyed my life really. I can't walk properly, one side of me is totally disabled, paralysed. I can't remember a right lot.

O'HALLORAN: It was back in 1996 that Tracy was assaulted at her home on a council estate in Yorkshire. Her own brother was jailed for the attack. Paralysis has left her unable to do most household tasks. She also suffered brain damage, causing short and long term memory loss. She can't even recall big events before the attack, like her wedding and the birth of her children. Her husband, Mark, had to give up work to become her carer. It's a full time task. Although Tracy has had interim compensation payments of £17,000, when we met the couple two weeks ago, they were still waiting for her full award, nine years after they applied.

TRACY: Nine years, it's a hell of a long time. There's loads of things that I could have got to make my life a bit easier with the money, and I just think it's disgusting that they haven't tried a bit harder to get me it.

O'HALLORAN: What sort of things would you have liked to make your life easier?

TRACY: Well I had a scooter, but it broke and I'd like another one of them. A motability scooter. It would make my life just a little bit easier.

MARK: I think the Authority have been dragging their feet and putting it off, trying to not pay out, basically. I do believe they've got to be careful with money, but I also believe that if a person needs it, then they should receive it, they should get something sorted out so we know where to go with us life. At the moment we can't plan no future or owt, we're just sat in limbo waiting to see what's going to happen.

O'HALLORAN: Since 1996, the compensation claim has been handled by their solicitor, Caroline Thompson. She says her biggest challenge has been establishing any effective means of communication with the Criminal Injuries Compensation Authority.

What was the outcome of your efforts to get compensation within the first two or three years?

THOMPSON: Well, very little happened. We never had calls returned, letters remained unanswered and I have a catalogue of dates when I've tried to progress matters to no good effect. I was told in August 2001, that the file had been transferred to the operations manager and I was rather hopeful that, given the operation manager's involvement, that I would see a result.

O'HALLORAN: How would you describe your contacts with the operations manager in the next few years?

THOMPSON: Appalling, I was told that he was too important to speak to me and all my dealings with him had to be done in correspondence.

O'HALLORAN: And was he good at answering letters?

THOMPSON: Not particularly, no. I was sending letters that remained unanswered. I sent urgent letters and faxes in September, October and November 2001 marked for his personal attention, and in January 2002, I made a formal complaint to the Ombudsman in London. I was actually given an indicator at one point in 2002 that the application would be dealt with in a couple of weeks time and that we could expect to get a final award and that didn't happen. And as far as my client's concerned, she's been passed from pillar to post for the last nine years.

O'HALLORAN: The award offer was not made until March last year. At full value it would have been £120,000, but that figure had been cut by half. This, said the authority, was because of reports that Tracy had abused alcohol. Caroline Thompson says she at once investigated and found that the allegations came from some relatives of Tracy, who had sided with her brother when police charged him nine years ago.

THOMPSON: They were relying on evidence used in the trial, which included statements from family members, which alleged that my client was a chronic alcoholic and an unfit mother.

O'HALLORAN: Now had the authority ever in the previous, what is it eight years, raised this issue with you of alleged alcoholism?

THOMPSON: There had never been any question or any suggestion that my client was an alcoholic. In fact, her character had never been referred to.

O'HALLORAN: What did you find when you looked into this allegation?

THOMPSON: I interviewed a number of people - professionals, friends, some relations, and without exception all of them described her as a homely person who lived for her husband and her children. She just sounded a thoroughly decent person.

O'HALLORAN: When Caroline Thompson heard in September that the Prime Minister had stepped in to get payments fast-tracked for the July bombing victims, she wrote indignantly to Mr Blair. She demanded fair treatment for other victims, like Tracy, who are not in the public eye. Within weeks she was phoned by the Chief Executive of the Criminal Injuries Compensation Authority, Howard Webber. And Tracy has now received a much higher offer. The alcoholism charge has been withdrawn, and there's to be no 50% cut in the pay-out. Howard Webber now concedes that the offer made to Tracy last year was based on inadequate evidence.

WEBBER: I know that, on the information available at the time, that was a reasonable decision and it later transpired it was absolutely wrong, that it was without foundation, but it was the information that we had from the police at the time.

O'HALLORAN: Because you looked into this yourself.

WEBBER: Well, I looked into it myself because I was the reviewing officer. And when I looked at it, I realised when we had the subsequent information we received, realised that there was no reason to reduce Tracy's award, that she was absolutely innocent in this respect.

O'HALLORAN: But shouldn't this charge of chronic alcoholism been raised a bit in advance so that the lawyer could gather some independent evidence?

WEBBER: Yes it should have been, and I genuinely don't know whether it was or not. I haven't checked at what stage that issue was first raised. It should have been. Had that been a key issue - and indeed it was when the decision was made - I hope it would have been raised at an earlier stage.

O'HALLORAN: So in the case of Tracy, a failure to give full details of a charge of chronic alcoholism that would cut the award down by half?

WEBBER: As I say, I simply don't know in Tracy's case whether that was so, so I can't really comment on that aspect.

O'HALLORAN: But if they weren't warned then ...?

WEBBER: That would have been a mistake on our part for which I'm sorry.

O'HALLORAN: But the extra delay caused by that wrong decision accounts for only a year or two of the nine years of waiting. So what about the rest of that time? Again Chief Executive Howard Webber admits shortcomings.

WEBBER: I think we could and should have operated faster. It was one of the first cases we received under the new tariff scheme.

O'HALLORAN: But for a seriously brain damaged woman to wait and battle to get compensation for eight years, isn't that a disgrace?

WEBBER: We could and should have operated faster in Tracy's case. I absolutely agree and I do apologise to Tracy and to her representatives. I would say probably the minority of the delay was down to us in this case, nonetheless I'm not trying to remove our responsibility and we could and should have done better.

O'HALLORAN: And if her lawyer tells us of a trail of unanswered phone calls, letters and promises of an award offer which didn't materialise over a period of years, does that worry you?

WEBBER: It certainly worries me. I can certainly say that recently that has not been the case, because I've dealt with Tracy's case personally and I've made sure that that has not happened.

O'HALLORAN: But figures we've obtained show that not all aspects of the authority's performance are improving. Under the Victims Charter, it set a specific target for the percentage of compensation cases settled within a year. But the author of The Law Society's guide to the scheme, Clare Padley, says the authority is nowhere near meeting that target.

PADLEY: The aim of the authority under the Victim Charter is to deal with 90% of their claims within twelve months. I don't think they've ever managed to meet that requirement. In the late 90s and 2000, they were achieving about 80%. In the most recent year, they only achieved 73% of the cases being resolved within twelve months, which, of course, means that more than 25% are taking considerably longer than that, and they do tend to be the more complex and therefore more serious cases.

O'HALLORAN: And why do you think that is?

PADLEY: There have been a number of reasons over the years, but in the most recent year it would appear to be directly related to the budget cut, which the government imposed on them. The government reduced their administration budget, so that the money available to actually pay staff to deal with these claims was reduced. I suspect there's simply a lack of the proper number of staff to deal with the number of cases they're dealing with.

O'HALLORAN: For the public it's impossible to assess the authority's recent performance because its last two annual reports have yet to be published. We're told they've been delayed by accounting changes. But the numbers we've seen show that the cut in the administration budget has contributed to reducing the percentage of new cases settled within a year. We sought more details from Chief Executive, Howard Webber. How much has your administration been cut back in the last two or three years?

WEBBER: It was pretty static for a while and it was cut by around 10% last year, 2004/5.

O'HALLORAN: And were Parliament told about that cutback, as far as you're aware?

WEBBER: That's something you'd have to ask the Home Office.

O'HALLORAN: Why was that cutback in your budget made, do you know?

WEBBER: Again that's something you'd have to ask the Home Office, but obviously there are huge priorities in all areas of Home Office spending and they take that decision.

O'HALLORAN: So how much of that 10% cutback impacted on your ability to process claims?

WEBBER: We've sought ever greater efficiency and I think we've achieved that to an extent. We're not able to pay for as many staff as we would otherwise. We didn't do as well in 2004/5 as we'd done in the previous year certainly, and I think the restrictions which were placed on the budget must be the prime cause of that.

O'HALLORAN: The Home Office say MPs haven't been informed of the administration budget cut, but that will be done when the annual report is laid before Parliament. But how does Home Office Minister Fiona MacTaggart answer the point that the cutback has impacted adversely on claimants, by causing a lower percentage of their claims to be settled within a year?

MACTAGGART: For all of the last three years, the authority has dealt with more cases than there have been applications. As result of which, the backlog of cases has been reducing over the last few years. So I think that your information is in a way misleading, because we are bearing down on the backlog, and what I've asked the authority to do is to do more cases than come in each year so that we can reduce the delays, because like you, I think the delays are unsatisfactory.

O'HALLORAN: But the percentage of cases it processes within a year has been coming down and down and down for several years and is far below 90% which is its target.

MACTAGGART: Well the way in which the authority processes cases is, as you know, a matter for them but I've asked them to increase the number of cases that they process each year so that we can reduce the backlog and the delay in cases.

O'HALLORAN: But your budget cut has directly impacted on the percentage of cases they can settle within a year - they've made that clear - and that has come down year on year, including this last year.

MACTAGGART: There has not been a specific budget cut in the administration of the scheme. I think that you're being unfair there.

O'HALLORAN: Is it not right that the budget for administration within the authority was cut by 10% at the beginning of last year?

MACTAGGART: We asked the authority, in common with all of the public sector, to be more efficient in the way that it spent public money. We asked them to find ways of saving money on administration. In addition to that, they did make further budget cuts, and that's one of the reasons why we're working with them now, to try to help to increase their staffing so that they can deal with cases faster.

O'HALLORAN: The idea of compensation - officially - is to express society's sympathy for the blameless victim. But sometimes, as we saw in Tracy's case, an award can be cut back on grounds of the victim's conduct or character. And even a record of petty crime can make a big difference.

ACTUALITY IN DOORWAY

HIRST: It was 2 am, Saturday to Sunday morning. I was standing in this doorway here. He approached me from the left hand side, came over and asked me if I wanted business.

O'HALLORAN: Former prostitute, Nicola Hirst, was near the centre of Bradford one night in 2000, when a man approached her for sex.

HIRST: We began walking down this road here, down to this area on my right hand side, which was an industrial area. We walked over to the far corner, the far right hand side corner. There was a skip there at the time. That's when he pulled the knife on me. First he asked me for money. I told him I didn't have any money. That's when he told me he was going to rape me and kill me.

O'HALLORAN: Convinced he meant what he said, she first stalled for time then tried to escape.

HIRST: As I've gone to run, I started screaming. He's grabbed me from behind, put his left hand over my mouth, and that's when I felt the first, but I didn't realise at the time was the first stab wound in the lower part of my back. He was screaming, 'Die bitch, die,' and just stabbing me. And I was fighting him, asking him to stop. I was saying to him, 'You've done enough, you've done enough, you've stabbed me enough, I'm dying.'

O'HALLORAN: But somehow Nicola survived more than forty stab wounds all over her body. And after her assailant left her for dead, she crawled to a main road where a driver stopped to help. She spent weeks in hospital, with punctured lungs and other serious internal injuries. She lost much of the feeling in her hands and part of their use. She was shocked to learn that her attacker was a convicted killer, sentenced to life, but out on licence. After being convicted of attempting to murder Nicola, he later killed himself in prison. But his terrifying image lives on in her mind.

HIRST: That night, even though I didn't die physically, I may as well have died. He's ruined my life, the rest of my life is ruined. Every day I wake up, there's not one day goes by that it doesn't come into my mind. I usually see the man stabbing me, I usually relive the attack, different fragments.

O'HALLORAN: What was your reaction when you found out your attacker's background?

HIRST: I was extremely, extremely mad, because he should never have been out in the first place. The judge at the trial turned round and said he was an explosion waiting to happen. It didn't matter, he was just looking for a woman, any woman would have done.

O'HALLORAN: The police praised Nicola Hirst for her bravery, both during the attack and later in court giving evidence against her attacker. So she was optimistic about compensation. But the quest for a full award has taken five years. The Criminal Injuries Compensation Authority's first decision was to award her nothing.

O'HALLORAN cont: Normally the injuries would have merited more than £10,000. But Nicola had some minor convictions, and also admitted she'd taken drugs on the day of the attack. On those grounds, the authority withheld the whole award. Her lawyer insisted on a review and eventually she was offered just over £5,000. A 50% cut in the total award.

HIRST: It made me feel like I deserved what happened to me. They may as well have just turned around and said, 'Well, you deserve what you got.' He nearly killed me and they were saying I was worthless basically, my life was worth nothing. If I'd provoked the attack at all, if it had been in some way my fault, then I could understand them reducing it by half or even knocking me back completely, but the fact that I didn't provoke it.

O'HALLORAN: But some people might think you were working as a prostitute, that was dangerous in itself, and you went to a place off a main road with a man you had never met before.

HIRST: Yes and I can understand that, but the fact that this man should never have been walking the streets in the first place, the horrific severity of the attack, I just cannot understand why they had to reduce it 50% and they've had to make such a low offer and they've had to take so much time and they've had to mess me about so much, and drag it out so far. I could have had this over and done with and tried to at least rebuild my life.

O'HALLORAN: Her solicitor, Sajit Abbas, also feels the system has let her down.

ABBAS: My client's conduct and character has been brought into question, but I don't think that her conduct on the day or even her convictions in the past relate at all, in any way shape or form to the actual incident itself.

O'HALLORAN: Isn't the point here that in halving her award, the authority is saying, 'Yes, society has sympathy with you as a victim, but not as much as you would have if you had an entirely clean, blameless record and no convictions.'?

ABBAS: Well, certainly that's the approach that the authority takes, but in my view, in respect of this particular case, there is a discretion. The discretion should have been used perhaps more wisely in this case, especially given the fact that my client was subject to an unprovoked attack and in no way contributed to the incident itself.

O'HALLORAN: So how does the Chief Executive of the Criminal Injuries Compensation Authority, Howard Webber, explain its initial refusal to pay up, and its subsequent 50% cut in the award, bearing in mind the severity of the attack? She said the authority made her feel her life was worth nothing.

WEBBER: I can't comment specifically on Nicola's case, I haven't seen her file, but certainly we're not saying anything like that when we're refusing an award. The scheme rules, which are set by the Home Secretary and approved by Parliament, say we have to take account of both conduct and character in deciding whether people receive an award or not. And obviously, applying that will result in some cases in people receiving nothing.

O'HALLORAN: On the point of convictions, if they are minor and not for violence and didn't contribute to the attack, do they really still have to be taken into account to cut an award back?

WEBBER: The answer is yes, that is a scheme requirement. As to whether they should, that's another matter, and it's a matter that you'd want to take up with the government.

O'HALLORAN: But you do have discretion to perhaps overlook aspects of character and convictions if you feel it's a deserving case?

WEBBER: Well, it depends what you mean by deserving case.

O'HALLORAN: Well someone who's very badly injured, almost murdered, and the police say afterwards that they admire her bravery and help in bringing the attacker to justice.

WEBBER: Indeed in general I would expect us to take account of that, anything that the police have said in those terms we would expect to mitigate any issues of conduct and convictions, particularly convictions. As I said, I can't really talk about Nicola's case, I haven't seen the file.

O'HALLORAN: One of the most contentious features of the compensation scheme is the maximum limit or cap on awards. It's set rigidly at half a million pounds, even if the victim is very young and may need a whole lifetime of care.

ACTUALITY ON SCHOOL BUS

EWAN: Mummy, Daddy, good morning!

MICHELLE: It's afternoon now.

EWAN: Good afternoon.

MICHELLE: Good afternoon.

O'HALLORAN: At four in the afternoon, a school bus delivers 7 year old Ewan back home to his mother, Michelle Coulson, in Houghton Le Spring, Durham.

MICHELLE: Good day at school?

EWAN: Ner ner ner ...

MICHELLE: Eeh, cheeky, come on. Come on, cheeky.

O'HALLORAN: Ewan is lively, but severely brain-damaged. He has paralysis on one side of his body, is mentally impaired, and blind in one eye. The injuries were inflicted when he was six months old. His mother went out one evening, leaving the baby with her boyfriend. When she got home, Ewan was unconscious. He was rushed to hospital, where doctors told Michelle Coulson they thought he had been violently shaken. Her boyfriend was later jailed for the assault. Ewan had brain surgery but his development

O'HALLORAN: Isn't the problem really, can the taxpayer afford a much greater commitment that would put these victims on parity with civil claimants?

LAFHEY: No, the problem is the fact that the Labour government purports to be tough on crime and tough on the causes of crime, but instead seems to be being tough on the victims of crime. I suggest that in cases such as this, the innocent victims of crime should be adequately compensated, which at the moment in a lot of cases they are not being.

O'HALLORAN: The cap on criminal injuries compensation awards was introduced under the Conservatives in the mid 1990s, when Michael Howard was Home Secretary. It was part of the then new tariff system, which was vigorously opposed in the Commons by Labour. Its then Home Affairs spokesman, Tony Blair, said large numbers of claimants would be disadvantaged by the scheme.

ACTUALITY OF TONY BLAIR IN COMMONS

BLAIR: There will be significant numbers of people, thousands, literally thousands every year, who will lose and around 25% of them will lose substantially. And those that do lose, the victims of violent crime that do lose, will often be the worst injured of those. So it hits hardest those that are most in need.

O'HALLORAN: But when Labour came into power a few years later in 1997, it was in no hurry to reverse the cutbacks. Indeed the half million pound maximum pay-out has now remained unchanged for nine years, even though this sum is now worth only about three-quarters of what it was then. And Clare Padley says that awards have been allowed to fall behind rising prices overall.

PADLEY: There's been no substantial review of the scheme whatsoever, certainly not in favour of victims. The Labour opposition were campaigning for an annual review of the tariff to keep it up to date with inflation. In the end, the government only agreed to a three year inflationary review, which has not taken place.

O'HALLORAN: So Labour, after it came into power, what have they actually done?

PADLEY: Very little. There was no increase at all in the basic tariff award levels between 1996 and 2001. In 2001, they did increase some of the tariff levels by 10% but not those at the bottom end or those at the top end, but by then that 10% did not reflect inflation since 1996 or I think even since 1999.

O'HALLORAN: And what further inflation increases have the Labour government introduced since 2001?

PADLEY: None. There's been no review of the tariff since 2001. And effectively the Labour government is now operating a scheme which is more mean-spirited than that which they criticised in 1994.

O'HALLORAN: Home Office Minister Fiona MacTaggart says it's vital that the compensation scheme concentrates help on those who are most severely and permanently injured. And she says the government will now listen carefully to demands for the half million ceiling on payments to be changed.

Back in the mid nineties, Labour, including Tony Blair, attacked the new tariff scheme brought in by the Conservatives, suggesting it was mean-spirited. It's argued that the system is now more mean-spirited than when it was brought in, because you've actually failed to raise the payments fully in line with inflation over the last eight years.

MACTAGGART: Well that's exactly one of the reasons why I'm looking at consulting about improvement for the scheme. The scheme was reflat in 2001, so it hasn't been ignored for that period.

O'HALLORAN: Yes, but those increases in 2001 were partial and they were only 10%, whereas prices have risen 20% or 25% I think in the years since the mid nineties.

MACTAGGART: I haven't got in front of me a kind of inflation index. But what I do know is that people need properly to be compensated, and that's why I will be publishing next month a review of services to victims, not just financial compensation, but all the things that victims need.

O'HALLORAN: You say you yourself have been concerned about that maximum of half a million pounds. Are you yourself minded to try and get it lifted?

MACTAGGART: What I'm minded to do is to try to focus the scheme on those whose lives have been completely changed and utterly devastated by the seriousness of the impact of violent crime - including terrorism - on their lives.

O'HALLORAN: In the past month or two, ministers have had a sudden and stark glimpse into the reality facing the London bombing victims, as they try to rebuild their lives. Hence the Home Office consultation which will start next month, calling for ideas on how to improve the compensation system. The big challenge now is to come up with a scheme which helps not only bomb victims, but all those who've suffered seriously from criminal violence. But giving more help to all these victims would cost more money, and it's far from clear yet whether extra funds are any part of the government's plan.

SIGNATURE TUNE