



114 Richmond House  
79 Whitehall  
London. SW1A 0AA

Jan Barlow  
Chief Executive, The Caxton Foundation  
Alliance House  
12 Caxton Street  
London. SW1H 0QS.

25 March 2013

Dear Jan,

I am writing to inform you that in 2013/14, the Caxton Foundation will be able to draw down funding of up to **£2,380,000**, from the Department of Health. Payments will be made to the Caxton Foundation by the Department of Health in England on behalf of all four UK Health Departments, upon receipt of invoices from the Caxton Foundation, supported by evidence for the amounts requested in respect of each Health Department.

The above allocation is apportioned according to the Barnett formula, using the Department of Health (England) component as the basis for estimating the contributions from Scotland, Wales and Northern Ireland, which have been rounded to the nearest £thousand:

England	£2,000,000
Scotland	£190,000
Wales	£119,000
Northern Ireland	£71,000

The 2013/14 allocation includes all costs for the Trust, including payments and support for beneficiaries and service delivery costs for Caxton Foundation business. The Department will arrange for the MFET Ltd, MfT, ET and Skipton Fund contributions to the service delivery costs to be top

sliced from their respective budgets, and added to the Caxton Foundation budget.

Invoices to the Department will therefore need to separately identify the amounts being charged for the following items, with an indication of whether they are actual or estimated:

- Payments to beneficiaries in each country;
- Service delivery costs for each of the five Alliance House bodies;
- Direct management costs for the Caxton Foundation.

Caxton should adjust its drawdown requests in line with any underspend from the previous invoice period. If underspend occurs in Month 12, Caxton may carry funds forward and reduce the invoice accordingly for the first quarter of the next financial year. If additional funds are needed between scheduled invoices due to unforeseen fluctuation in expenditure, DH can agree such funding, provided the annual allocation has not been fully depleted.

Should the Foundation spend approximately 80% of the funding allocation of any single health department, please inform both the Department of Health and the other relevant Health Department, within one week of payment being made.

If you have any questions, please contact Ben Cole or Naomi Balabanoff.

Yours sincerely,

GRO-C

Ailsa Wight  
Deputy Director, Infectious Diseases and Blood Policy Branch

Cc: The Devolved Administrations