

Mrs J Walden
FR/OFF
Room D610
AFH

CENTRAL BLOOD LABORATORIES

1. Mr Finsberg has asked whether the limitations in the revenue allocation to the Central Blood Laboratories Authority (CBLA) has caused more blood products to be imported to make up the shortfall in home production than would have been the case if there had been no financial constraints.
2. In line with other centrally financed services, the CBLA's budget has been increased by 5% for 1983/84, that being the figure which, on present forecasts, is considered necessary to cover pay and price increases. Although therefore, the allegations of cuts in the Authority's budget can be dismissed, the CBLA is nevertheless concerned about the adequacy of their allocations.
3. Firstly, they are disappointed that the uplift figure is 5% and not 6%. This is because the provisional estimates communicated to them in November were based on a figure of 6%; but this figure was revised downwards because of falling inflation.
4. As Mr Finsberg knows, the Chairman of the CBLA has written to request a meeting with you to discuss this, and I attach a draft reply, reflecting your suggestion that a meeting with officials should take place first to establish in detail why they are not content.
5. As far as the current position regarding the production of blood product is concerned, the existing laboratory is processing all the plasma it currently receives, although this falls short of the maximum amount the physical resources of the laboratory could cope with. Obviously however, this owes nothing to financial constraints. We are conscious, however, that if the development of output to self-sufficiency is to take place as planned, the supply of plasma from the BTS will need to increase and that Health Authorities will almost certainly need to adjust priorities if they are to meet that demand. As to the revenue funding of the redevelopment, the Department will provide the Authority with short-term pump-priming revenue to enable them to meet the revenue consequences. In the longer term, we shall need to look carefully at the level of revenue allocation in the light of the charges the Authority will need to make to the NHS, the private sector and overseas customers.
6. With regard to Mr Finsberg's second point, it is of course true to say that consideration of the various options at the time it was decided to redevelop the blood products laboratories 3 years ago was a time-consuming exercise. Discussion of a full takeover by Beechams, for example, reached an advanced stage before it was decided that it was impracticable. The possibilities for a controlled collaboration with industry were similarly explored, as well as the solution now adopted. Moreover, once a decision

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had been taken, the Policy Steering Group had a number of basic questions to resolve; choice of site, whether to build a new or refurbish an existing building, and so on, which again was time consuming. It is true to say therefore, that Dr Vaughan was not presented with a full, worked up scheme when it was first realised that a major redevelopment of the blood products service was necessary.

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cc Dr Harris
Dr Walford
Mr Parker
Mr D Harris ✓