

MacFar.D06

Ms Stuart FB
Mr Garland FA1
Mr Hale CMP
Mr Brown AIDS Unit

From: A B Barton AIDS Unit
Date: 6 December 1989

FUNDING OF THE ADDITIONAL GRANT TO MACFARLANE TRUST

MS(H) is unhappy about the implications for AIDS funding, especially of the HEA, of the proposals in Mr McKeon's minute of 30 November. She has asked for a note setting out her views. I attach a draft on which I should be grateful for comments, together with a table setting out the figures on which the note is based.

Please let me have any corrections or comments immediately, as I have been asked to put up the draft today.

GRO-C

A B BARTON
AIDS Unit
A305 Richmond House

GRO-C

D R A F T

Mr McKeon PS/SofS

From: A Davey PS/MS(H)
Copy: [As Mr McKeon's minute
of 30 November]

FUNDING OF ADDITIONAL GRANT TO THE MACFARLANE TRUST

MS(H) has seen your minute of 30 November to Ms Stuart and has commented:

"I hope further consideration can be given to these proposals. If £2 million has to be found from the MacFarlane Trust from next year's HCHS and HEA AIDS Funds we are going to face great presentational difficulties.

The stark proposals are for either:

1. A 17% cash cut for the HEA AIDS budget (from £12 million this year to £10 million next year), and growth of only 4.2% cash in the RHA/SHA allocation (as proposed by Ms Stuart).

OR

2. A 25% cash cut for the HEA (from £12 million to £9 million), and a 5% cash increase (in line with the inflation assumption) in the RHA/SHA allocation (SofS's proposal).

I believe the second option would be very damaging presentationally. It would reduce the HEA's AIDS budget to less (in cash terms) than

it was in 1988/89, and would also reduce it below the psychologically important £10 million mark. All those who have been saying the Government has lost interest in AIDS would conclude they were right.

Option 1 is also pretty unattractive in that it require a cut in the real value of the RHA/SHA AIDS allocation, at a time when more people with AIDS and HIV disease will be needing care and treatment.

But it does at least keep the HEA above £10 million, and I believe we could justify this on the grounds that the additional £2 million for the HEA this year was exceptional, to cover a TV campaign and an unusual amount of development work.

Could officials be asked to look again at the possibility of finding the necessary savings elsewhere?"