

MANAGEMENT IN CONFIDENCE

Mr McKeon PS/SofS

from: Ms M E Stuart  
Finance B Division

date:

cc: Mr Davey PS/MS(H)  
Mrs Kirk PS/PS(H)  
Mrs Keswick Sp Adv  
Miss Gwynn PS/Perm Sec  
Mr Mayne PEFO  
Mr Heppell HPSS  
Mr Rayner FPS/M  
Mr Hart OPS  
Mr James FA  
Mrs Grimshaw FB1  
Mr Kendall FA2

FUNDING OF ADDITIONAL GRANT TO MACFARLANE TRUST

1. This submission puts forward proposals for funding the grant to the Macfarlane Trust in the light of the further developments since your minute of 30 November.

2. The further developments are:

*Decision Monday*  
(a) the need to borrow a further £5 million from the Reserve (see Mr Heppell's minute covering Mr Dobson's submission, both dated 29 November). Treasury have agreed to this, but insist that it must be repaid from HPSS Votes next year. Mr James' submission of [ ] suggests that this can be found from money previously earmarked for [H I S S]. That still leaves the original £7 million to find which was the subject of my submission of 22 November and your minute of 30 November.

(b) MS(H)'s minute of 8 December to Secretary of State, in which she suggests that £0.5 million be found from the HCHS AIDS budget next year, £0.5 million from the HEA allocation for AIDS education, and £1 million from elsewhere. (X)

3. MS(H)'s proposal would leave the balance sheet for finding the £7 million as follows:

£1 million from territorial departments  
£2 million from underspends in the course of 1990-91  
£1 million from the Disablement Services Authority  
£1 million from Special Hospitals capital  
£0.5 million from HEA AIDS  
£0.5 million from HCHS AIDS  
£1 million to find.

16 SPS wishes to reduce to £1m the cuts to the AIDS budget

- take in at (X) accept
4. FB ~~would support MS(H)'s proposals for limiting the AIDS cuts, in particular~~ that there are presentational difficulties in reducing the HEA AIDS budget below that for 1988-89. ~~We suggest that the other £1 million is found from Family Practitioner Committees administration (as proposed in para 8(2) of my submission of 22 November). Mr Rayner is content that, in view of the healthy PES settlement achieved for the FPCs, a cut of this size will not adversely affect the successful implementation of their new responsibilities.~~
5. ~~I should be grateful for Secretary of State's agreement to proceed on this basis.~~ <sup>would</sup> ~~with us~~

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