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Subject: Urgent: Briefing required for Prime Minister's Question Time

Jill,

Please provide a briefing for No 10 use in the format set out in the attached.



Guidance for PMQ briefing.doc

The issue as stated by No 10 is:

### **Blood supplies**

(Extract from media briefing) Govt. buys US firm to ensure reliable blood plasma supply (all BBCs) ... Dickson: The firm will exclusively supply the NHS .. the Govt. has been told that, otherwise, UK blood supplies are under threat .. Govt to announce grtr use of private sector nxt wk & anxiopus to use this deal to show they're willing to take private firms into public hands where that makes sense (Tdy b'tins) ... **Dr Ian Gibson**: I am worried by the idea of blood we've no control over .. *What do we know about US supervision?* I'm sure they do all the correct tests .. *Haemophilia sufferers' reps. want artificial blood used?* I'd imagine they are still very nervous .. we need so much blood now .. *Main concern is medical supervision?* Yes, I'm sure that has been seriously looked into (Today 0755 i/v)

The deadline for this is **noon today**.

You may be asked for supplementary briefing at any time up to 3:30 p.m. on Wednesday.

Many thanks.

Matthew Lees

Parliamentary Relations Unit

GRO-C

## **DEPARTMENT OF HEALTH SECURES GUARANTEED LONG-TERM SUPPLIES OF PLASMA FOR NHS PATIENTS**

The Department of Health has today purchased the largest remaining independent US plasma collector, Life Resources Incorporated to secure long-term supplies of non-UK blood plasma for the benefit of NHS patients. This deal, which was completed in the US yesterday evening, will ensure that the current global plasma shortage will not reduce the availability to NHS patients of life-saving plasma products such as immunoglobulins and clotting factors.

An independent option appraisal conducted for the Department by KPMG LLP in the UK

showed the purchase of Life Resources Incorporated to be the most cost-effective means of securing the sustainable long-term supplies of non-UK plasma the NHS needs.

The plasma from Life Resources will be manufactured into plasma products by the NHS owned Bio Products Laboratory who supply 45% of NHS needs. The NHS has been using US-sourced plasma since 1998 as part of its vCJD risk-reduction strategy. The US has no reported cases of BSE. It is also the only country able to supply the quality of plasma we need in sufficient quantity. The US collects 60% of the world's plasma and supplies between 35% - 45% of the plasma products used in Europe alone.

Every year the following plasma products provide vital treatment for NHS patients:

- 5,000 kilos of albumin are used each year for the 10,000s of patients treated for burns, shock and major trauma.
- 2,000 kilos of intravenous immunoglobulin for UK patients with immune disorders including 1,800 patients with primary immune deficiency who require an injection every 2-3 weeks throughout their lives to protect them against infection.
- 120,000 bottles of Anti-D immunoglobulin are used each year to protect unborn children suffering from haemolytic diseases of the newborn. This affects roughly 64,000 pregnancies a year and, in a small number of cases, causes stillbirth, severe disability or death after birth from anaemia or jaundice.
- 400,000 bottles of Factor VIII are used each year to treat around 3,000 haemophilia patients.

Public Health Minister Hazel Blears said:

"The purchase of Life Resources Incorporated will ensure that NHS patients will continue to receive life-saving plasma products such as immunoglobulins and clotting factors despite the current global plasma shortage. This is an innovative solution to meet the needs of patients"

### **Notes for Editors**

1. Life Resources Inc is a group of 27 affiliated US companies. It has 24 centres collecting blood plasma from donors across the US. Its headquarters is in New York.
2. Life Resources has supplied BPL with plasma since 1999. It has extremely high quality and safety standards overseen by the US Food and Drugs Administration and the UK Medicines Control Agency. All the company's collection centres are inspected by BPL's Quality Audit team on a rolling two year programme. BPL's team also inspected every centre as part of the due diligence process prior to the purchase.
3. Full due diligence was undertaken prior to the purchase. Lead advisory services were provided throughout by KPMG Corporate Finance with legal support provided by Simmons & Simmons in the UK and Morgan, Lewis & Bockius in New York.

4. The Department of Health has purchased the trade and assets of Life Resources for an up front payment of £48.8m with a further £21m tied into the performance of the company up until the end of 2006. The Department has paid a commercial price for the business assets based on same analysis as a private sector purchaser would have undertaken.

5. A US Holding Company - DCI Biologicals Inc - has been established to manage the business. DCI Biologicals reports to the UK Parent Company - Plasma Resources Ltd - owned by the Secretary of State for Health.

6. The Secretary of State for Health has appointed Philip Cushing to chair DCI Biologicals. Mr Cushing is highly qualified for this role. Previous positions include Chief Executive of Inchcape (1996-9) and Chief Executive of Vitec Group PLC (2000-1). He was appointed to Chair DCI because of his extensive international business experience, including a career involving American operations since 1977. He also has extensive international acquisitions experience built up over 20 years. Philip Cushing has a first class honours degree in Economics from Christ College Cambridge and is a Member of the Chartered Institute of Marketing. He is also currently Chairman of Paragon Print and Packaging Limited, Spalding, Lincs, and a non executive director of Ikon Office Solutions Inc, Philadelphia, USA.

6. The non-executive members of the Board of DCI are Peter Coates, Head of Physical Capacity at Department of Health and Richard Lawes from the Department's Private Finance Unit. Richard's role has been to secure the transaction and he will be stepping down shortly now that the process is complete. He will be replaced by a US based non executive director with a relevant commercial background. Discussions with suitable candidates are underway and a final appointment will be made soon.

7. The Board of Plasma Resources Ltd is chaired by Richard Douglas, the Department of Health's Director of Finance and Investment. Other Board Members are Dr Pat Troop, Deputy Chief Medical Officer and Philip Cushing.

8. The current owners and management team of Life Resources will remain with the company to manage the business on a day to day basis. The key individuals have been secured on long term employment contracts.

9. Life Resources will run as a separate company with all staff remaining on their existing terms and conditions. They will not be employees of the Department of Health or the NHS.

10. A long-term contract has been signed between Life Resources and BPL to supply BPL with plasma.