

A Business Case to enable the Macfarlane Trust to meet the Department of Health's objectives to properly resource the Caxton Foundation, the new charitable body arising from the Ministerial statement on January 10 2011.

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1) Business Case Objective and Background

01.1 Arising from the ministerial statement on the 10 January 2011, a new charitable body was announced with the aim of providing charitable relief, based on need, for those infected and affected by Hepatitis C through contamination by blood products provided by the National Health Service. The Department of Health (DH) proposed that the Macfarlane Trust (MFT) should facilitate the provision of resources to enable the new charitable body, now styled the Caxton Foundation (CF), to meet its objectives.

01.2 The MFT Trustees are content to accede to this proposal. However, in order to do so, a number of key requirements have emerged.

01.3 It is immediately apparent that the CF might well be dealing with a beneficiary community greater than that which MFT has ever had. Taking that into account, together with the increased activity for Skipton Fund Ltd (SFL) arising from the ministerial statement, an increase in staff numbers is required. This together with additional IT equipment and expanded filing space, in turn generates a need for more floor space than the present offices on the first floor, Alliance House, 12 Caxton Street, London SW1H 0QS.

01.4 There happens to be vacant office space on the fifth floor of Alliance House, with a short period remaining on the current lease. The space would be sufficient for the expanded requirements of MFT, SFL, CF and the other operations currently housed on the first floor. Its propinquity to the existing offices would permit a move with the minimum operational disruption and cost.

01.5 The key element emerging will be the disposal of the current lease commitment on the first floor.

2) The capital requirement to meet the objective

02.1 The capital sum required to amortise the remainder of the lease on the current accommodation is £125, 250.

3) Mission Statement

03.1 To enable the MFT to provide sufficient resources to permit CF to meet its charitable objectives, as outlined in the ministerial statement dated 10 January 2011, to make available charitable relief to those infected and affected with and by the Hepatitis C virus through contaminated blood products supplied by the National Health Service.

03.2 A copy of the CF trust deed is attached.

4) Objectives of the Project

04.1 The SMART Objectives are as follows:-

- the creation of at least 3 additional posts. The benefits of using the current MFT staff resource, where all connected organisations will be treated pari-passu in terms of response and service provision, will enable efficient "on the job" training to take place.
- to bring about a dedicated and properly resourced charitable body for a specific community of care that reflects the January 10 2011 ministerial announcement.
- to have a complimentary but exclusive policy on charitable disbursements that is similar to that of the resourcing charity to ensure ease of IT and related integration.
- to provide adequate office accommodation and storage facilities at a sensible specification that befits a charitable body.
- to take full advantage of the inherent economies of scale.
- to take full advantage of the administrative benefits arising through ease of data transfer.

- enhanced purchasing power to provide goods and services to respective beneficiary constituencies.

- the disadvantages associated with the CF as a new "start up" will be avoided.

5) Performance Measures

05.1 The key objective to be measured will be the beneficiary's reaction as to how the new charity meets its charitable objectives. Beneficiaries will be encouraged to represent their views either through a representative Partnership Group, through a website bulletin board or by some other means that meets the needs of the beneficiary community.

05.2 Internal measurement of response times to letters, emails, telephone responses, disbursement of funds and confirmation of the receipt of the good or service.

05.3 Meeting the requirements of the charitable audit process and SORP.

05.4 The implementation of policy objectives as directed by the Board of Trustees.

05.5 Biennial staff appraisals under the auspices of the Trustees through a dedicated standing committee (of the Board of Trustees).

6) The Needs Assessment

06.1 The need to find alternative office accommodation has been explained in some detail. If funding is not made available to amortise the current lease, it would be wholly detrimental to the business case objectives.

7) The Project Plan

07.1 To complete negotiations to amortise the lease of the first floor by the end of May 2011. This will include settling accrued dilapidations and "wants of repair".

07.2 Contemporaneously, to negotiate the assignment of the lease on the fifth floor, arrange for early entry through a licence mechanism, to install the upgraded IT and telephone systems. This will include the fitting out of the new office accommodation to meet given requirements.

07.3 To manage matters to ensure that the CF is "fit for purpose" by the beginning of September 2011 with a view to becoming operational at October 2011.

08) Financial Plan

08.1 A copy of the indicative costs arising from the move from the first floor and to enable the move to the fifth floor is attached. This schedule was the focus of discussions on the 23 March 2011.

08.2 The DH invoicing and v.f.m criteria for 10/11 have been met and will be met going forward into 11/12.

9) Connected Organisations Profile

- MFT will lead on managing the mechanics of the move from the first to the fifth floor, providing the resource requirements to enable the CF to meet its objectives.

The Alliance House Foundation. The freeholder of Alliance House and the lessors.

- George Trollope & Co. The agents acting for the Alliance House Foundation.

- Crossland Otter Hunt. The agents acting for the current lessee of the fifth floor.

- DH. The funding body.

- Addressing dilapidations, fitting out, purchase of IT and telephone systems are being managed internally.

10) Appendices

- The CF Trust Deed

- An extract of the MFT minutes of the meeting held on the 4 April 2011 of the Board of Trustees that authorised the Chairman and Chief Executive to proceed in seeking secure the objectives stated in this business case.

- A copy of the particulars of sale of the lease assignment.

- A copy of the 5th floor lease assignment heads of agreement.

11) Executive Summary

11.1 The project is to enable the MFT to provide adequate levels of resource to enable the CF to meet its objectives as stated in the ministerial statement dated the 10 January 2011.

11.2 The project is necessary as the CF will be the fifth organisation to be resourced by the MFT at the behest of the DH. The impact of the CF, with a disbursement budget anticipated to be in the region of £2m and a potential beneficiary constituency several times greater than that serviced by the MFT,

will necessitate additional staff in welfare/support services, finance and administration.

11.3 The disposal of the current lease on the first floor will enable new and existing staff, upgraded IT and telephone facilities, to be decently accommodated. Further, there will be sufficient room to securely maintain and store files with a great degree of personal medical and financial information. Written files are seen as a secure back-up to the electronic storage of medical and financial data.

11.4 The main increase in costs will be the additional rent and service charges payable, the increase in UBR even with mandatory charitable relief. There are no perceived disadvantages in moving offices.

11.5 The most important reasons for seeking funding for this project to proceed are as follows:-

- if the status quo remained, it would be impossible for the MFT to provide resources for the CF to enable it to meet its objectives as envisaged in the ministerial statement dated the 10 January.

- if the status quo remained, there would not be sufficient room to accommodate the increase in staff etc. 4.3 covers makes reference to this and other relevant considerations.

- it is likely that if the CF was to "stand alone" rather than be accommodated in Alliance House and take advantage of the inherent economies of scale, the administrative and management costs would be that much greater.

End

Martin Harvey
Chief Executive

15 April 2011