

Mr B O B Gidden
HS2B

BLOOD PRODUCTS PRODUCTION

Your minute of 14 October and the draft paper attached contain the proposition that to avoid a potential expenditure of £6M a year if blood products are obtained from commercial sources, the NHS should embark upon a 'do it yourself' campaign costing from between £1M to £1½M annually plus additional initial costs of £½M spread over the next two years.

This looks an attractive proposition. But it is hardly realistic when we take into account the probability that the NHS could not in any event absorb additional costs of the order of £6M annually. We ought, therefore, I suggest, to rule out entirely the commercial approach.

This leaves us, of course, with the problem of:

- a. expanding HTS capacity and
- b. financing such an expansion.

I can readily understand the need to seek the views of RAs and RMOs on the feasibility of expanding HTS activity to the level suggested. But I think it highly likely that they would say it would be quite impossible to finance the expansion from their foreseeable allocations.

Unless, in real terms, additional funds can be provided for this purpose, earmarking of normal development money would simply amount to the Department enforcing a use of resources which authorities, given a free choice, would be reluctant to follow in the face of other demanding priorities. It is, in the first place, for SDG to decide whether the need for stepping up production of blood products should have overriding priority on other developments. If so, we might adopt earmarking as a method of ensuring that the resource is put where it is needed, or, in the spirit of devolution, make the case and leave it to the authorities to respond. Of these two options I would prefer the latter and to leave it to the normal monitoring process to ensure that the desired result is achieved.

cc.

Mr Brandes ✓
Dr Maycock ✓
Mr Banks
Dr Waiter
Mr C G Taylor
Mr A B Rees

GRO-C

J C C SMITH
RPD3
15 October 1974

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