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Mrs Firth

BLOOD PRODUCTS LABORATORY

I think that when we submit to Ministers a paper on the possible commercial redevelopment of the BPL we should offer them some analysis of the financial implications of redeveloping it with public funds. I am afraid this means I must seek yet more help from you, and I apologize for adding to your workload.

My thought is that we need two things:

1. Something to compare with the financial summary suggested by Mr Hart in connection with our discussions with Beechams. This might follow the form of the tables which were submitted to Ministers as part of the paper on the short term upgrading of the BPL, and would have to be based on, say, two assumptions about capital expenditure (? £20m and £25m). As with the earlier figures, the new ones should be agreed with EAO and Audit.
2. A statement of the ways in which capital might be raised for redevelopment by the Department/NHS. You will know better than I whether radical means of funding redevelopment are possible, but I should think we ought to consider a variety of different methods.

14th August 1980

cc

Mr Wormald o/r
Dr Wintersgill
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