

Mr. Gidden

Mr. Vallet of B.P.L. Elstree and I visited Edinburgh on 14th March, 1969 to discuss technical matters with Dr. Cumming and his staff of R.T.C. Edinburgh. Dr. Macdonald and Dr. Pendreigh were present. Dr. J.G. Thomson was unable to join us. In addition Mr. Mitchell came, unexpectedly as far as we were concerned, and raised the matters of a management policy committee and the possibility of introducing service charges. Both were entirely new subjects so to speak.

Apart from one or two meetings in 1965 with Dr. R.M. Gordon of S.H.H.D(!) three technical meetings have been held - one in Oct. 1967 (at which we tried to pin point technical reasons for the gross difference in estimated costs of the two units), one in 1968 and the one, mentioned above, in March 1969. Until the last meeting we have discussed only technical matters.

Mr. Elliott-Binns' letter of 27.3.69 to Mrs. Hauff:

My comments on this letter are

- (1) A permanent policy management committee seems unnecessary and should be avoided.
- (2) An ad hoc co-ordinating committee to guide broad management policy in the first few years might have advantages, but the Scots should be asked to say, in an explicit manner, what subjects such a committee would discuss and advise upon. Such a committee must not be allowed to disturb the very useful arrangement whereby administration of B.P.L. is delegated by D.H.S.S. to M.R.C.
- (3) The original request to Scotland was that they should provide annually for N.H.S. :-
  - (i) about 30,000 bottles of plasma protein fraction
  - (ii) the anti-haemophilic globulin from 10,000 bottles of blood

The plasma from which (i) and (ii) would be prepared would be provided by R.T.Cs. in northern regions of England.

This request has not altered.

The Scots originally decided to prepare fractions for themselves and to meet the request above from 1000L plasma/week for 4.6 weeks each year. They have since increased the capacity of their laboratory to 1500L/week and say that it can, if necessary, be increased to 3000L/week. This has not been done at the request of D.H.S.S. but there is little doubt that the increased capacity may come in useful and that it will be relatively expensive to provide.

- (4) An ad hoc committee might be useful in the first few years to deal with problems regarding collection of plasma and distribution of plasma fractions and financial re-imbursement of S.H.H.D. by D.H.S.S. for services rendered, but there does not seem to be any need for a permanent committee.

Mr. Mitchell's letter of 27.3.69 to Mr. Hughes.

My comments on this letter are:-

- (1) The capacity of the Edinburgh unit was arrived at by the Scots. In my view a 1000L plant would probably have met their and our needs, but if the output of the plant about to be built is necessary to meet our request and the needs of Scotland, I cannot see why S.H.H.D. is worried since, if the laboratory were not built, S.H.H.D. would have to provide the fractions from commercial sources at considerably greater cost to themselves - so, of course, would D.H.S.S. as far as the element to be prepared in Scotland was concerned.

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- (2) Annual costs of unit. Seem very high. The staff proposed is greater than we expect to employ at Elstree - but the Edinburgh unit will carry out certain jobs for the R.T.C. Edinburgh and is planned to do more research than Elstree. I think Mr. Mitchell should be asked to be much more explicit. The forecast revenue expenditure at Elstree when the extension is in operation is £215,000.
- (3) The Scots have decided to adopt a new exciting method of fractionation, untried in large scale use, which makes forecasting more imprecise than usual. This may be one reason for the figure of £250,000. At B.P.L. Elstree salaries and wages have always been over 50 per cent of the annual expenditure; in Mr. Mitchell's estimate wages are about 40 per cent.
- (4) Charges: to make charges as suggested by Mr. Mitchell is a big step towards commercialization of B.T.S.

If the B.P.L.'s were to charge, the R.T.Cs. would sooner or later wish to recover money from the B.P.L.'s for the plasma they send to them; R.T.Cs. could also expect logically to make charges on hospitals. Likewise Blood Group Reference Laboratory might expect to charge for grouping sera issued to hospitals; in this case, too, R.T.Cs. might wish to charge Blood Group Reference Laboratory for grouping sera they supplied to it.

If charges were made control over distribution, which is at present exerted in the best interests of the donor, would be lost and N.H.S. units, willing to pay, would demand products even though their use was not really justified.

If charges were made, they would have to be uniform and strictly controlled in order to avoid the undesirable aspects of commercial practice which would sooner or later intrude themselves.

Introduction of charges would tend to change the outlook of the laboratories and commercialize them. If the B.P.L.'s were required to become largely self-supporting through these charges, as suggested by Mr. Mitchell, the departments would be expecting the units to operate commercially although tied by civil service procedures. Introduction of charges would incidentally necessitate an accounts department in each unit.

Since the hospitals, etc. would have to be provided, initially, with money with which to meet these proposed charges and which would presumably come from Treasury, I can see no point in the introduction of charges.

I suspect that the suggestion of instituting charges arises from worry over the size of the Edinburgh laboratory; as I have said above, if the laboratory is the right size, the Scots should get the fractions they need more cheaply than they will ever get them from commercial sources.

I am quite sure that charges should not be introduced.

- (5) Costing: Both units should be accurately costed. This will in any case be necessary in order that D.H.S.S. can reimburse S.H.H.D. for services rendered to N.H.S. by the Edinburgh B.P.L. The costings must as far as possible be closely similar methods so that the results are comparable.

GRO-C W.d' A Maycock

0215

10th April, 1969

GRO-C

Copies to:- Dr. J.G. Thomson  
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