



Department of Health

Department of Health
114 Richmond House
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By email

Roger Evans
The Macfarlane Trust
Alliance House
12 Caxton Street
London. SW1H 0QS

11th December 2014

Dear Roger

Thank you for your letter of 5 November 2014, requesting an increase in the Macfarlane Trust's annual allocation from 2015/16, and for future years.

Although the health budget will continue to be protected in real terms in 2015/16, rapidly rising demand means the efficiency challenge facing all parts of the health system will continue to be extremely tough. We will, of course, confirm your allocation as soon as we are able to do so, once final decisions have been made.

I and colleagues here recognise that your Board may need to consider some difficult decisions on whether to reduce or stop payments, but we are pleased that you are considering now what would be necessary to achieve financial balance.

We appreciate that you have been managing the shortfall between Trust expenditure and departmental funding thus far by using the Trust's reserves, and that this is not sustainable long-term. We have discussed the financial position of the Trust on a number of occasions over the past few years in the context of the significant and increasing pressure on the Department's central budgets. As you know, we have expressed our concern previously about the sustainability of the Trust's payment schedules.

We would welcome further discussion of your Board's intentions for establishing a more viable approach to managing its payment policies at our annual review meeting, now rescheduled for 12th December.

Yours sincerely,

GRO-C

Rowena Jecock
Head of Policy, Blood Safety and Supply

Copy: Ailsa Wight, Deputy Director - Infectious Diseases and Blood Policy, DH