



# THE MACFARLANE TRUST

Alliance House 12 Caxton Street London SW1H 0QS

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5 November 2014

Dr Rowena Jecock  
Head of Policy, Blood Safety & Supply  
Department of Health  
Richmond House, Room 104  
79 Whitehall  
London SW1A 2NS

Dear Rowena

I write with regard to the Macfarlane Trust's financial position, in advance of the funding round for 2015/16, and would ask again that you increase the Trust's allocation for next year and future years.

As you know, in November last year we submitted a business case to you for additional funding for 2014/15 and beyond. We were advised in March 2014 that the Department of Health would not be funding this business case and would not be increasing our allocation for 2014/15 at all compared with the previous year.

MFT's financial position remains as it was 12 months ago. As you are aware, the £2.2 million annual allocation from the Department leaves us with an operational shortfall of approximately £800,000 per annum. As in 2013/14, we are having to fund this shortfall through the reserves that we still have available. We can afford to do this for a further two financial years. At that point, in April 2017, if we have not received an increased allocation, we will need to significantly reduce the level of support that we have been giving our beneficiaries. This will leave people who rely on this support in financial hardship and distress.

We would need to give beneficiaries significant advance notice if we needed to reduce or remove payments to them, and would need to do this at some point early in 2016/17 if we had not already received notification of an increased allocation for 2017/18. Because of the lateness with which we are advised of our allocation – this year we received our allocation letter on 1 April for the financial year commencing on the same day – we could not wait until the last minute to advise people of such significant changes. To do so would leave them in a very vulnerable financial situation if they had to try to cope with a reduced income at short notice. The political implications of our having to make such cuts in support would be significant both for MFT itself, but also for the Minister and the Department.

We have already had to reshape our remaining investment portfolio to ensure that if further funds from the Department of Health are not forthcoming, the value of our investments is not susceptible to short-term downward movements in the Stock Market. As we draw down from the investment portfolio to fund the deficit, the level of income we earn from those investments also decreases, further compounding the financial problem.

As we made you aware through last year's business case, for some time we have only been able to run a relatively small grants budget, which is inadequate to meet the needs of the beneficiary community. We undertook to apply our remaining reserves to fund more substantial grants programmes over the next 3

[www.macfarlane.org.uk](http://www.macfarlane.org.uk)

Registered Charity Number 298863



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years, but still required the additional funding from the Department in order to do so. Our inability to meet this need remains as a result of continued underfunding.

As you are aware, the financial situation of the Alliance House charities and the support they provide to beneficiaries have been very much in the spotlight this year, with the inquiry by the APPG and the work of Alistair Burt MP. We have attended meetings with both, and feel it is important that as part of their work, they understand the ongoing financial difficulties we are facing. We are therefore copying this letter to them.

We are having our annual review meeting with yourself and colleagues at the Department on 11 November 2014, and we have already asked for this matter to be put on the agenda for the meeting. We look forward to discussing it again further with you then.

Yours sincerely

GRO-C

pp

Roger Evans

**Chairman, on behalf of the board of the Macfarlane Trust**

cc

Jane Ellison MP, Under-Secretary of State for Public Health

Diana Johnson MP

Jason McCartney MP

Alistair Burt MP

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