

- 1) Mr Canavan  
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Private Office

From: Mr M H Arthur  
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Date: 21 July 1989

cc: Dr A Rejman-MEDSEB

**THE MACFARLANE TRUST**

I enclose the most recent of the two-monthly summaries which MS(H) requires from the Macfarlane Trust.

When the last summary was submitted in March it was suggested that an informal meeting between DH officials and the Trust's administrator might be helpful, and MS(H) subsequently asked the thinking behind this suggestion.

At the time there had been some comment in the Press that the Trust's allocation policy was cautious and that levels of regular payments to individuals were too low. Officials considered that an informal meeting might elicit more information about future spending plans, particularly with respect to proposed help with mortgages.

The Trust's third report shows that their grant allocation policy has resulted in a total of £1.4m being paid out by 31 May 1989. This was achieved in line with their existing policy, of protecting the £10m capital sum and making payments from the accrued interest.

However the Trust have now sought a meeting with the Department via a letter of 25 June to Mr Heppell. In this, they indicate that they are venturing into the expensive business of helping with housing needs. Thereafter they envisage that the £10m may not be adequate to meet all that the Trust Deed expects of them.

They clearly wish to raise this issue, and to seek reassurances that "the policies, schemes and practices adopted by the Trustees subscribe to the original objectives envisaged by the Government" in setting up the Fund.

The ongoing litigation in the High Court re. compensation for HIV infected haemophiliacs, and the allied claim by the Haemophilia Society for a £200m out-of-Court settlement is expected to revive media interest in the Macfarlane Trust's activities.

A meeting has therefore been arranged for 7 September.

GRO-C

M H ARTHUR