

To: Mr Scofield

From: T A Kelly

Date: 16 March 1995

Copies: Mr Brownlee
Mr Burrage

Macfarlane Trust - PES 1995

I discussed this matter with Mr Brownlee today.

In short the situation is that he would prefer that the Trust be funded via current year underspends rather than via PES bids. We needed therefore to decide whether to provide the Trust with a top up sum in the next couple of weeks from the 1994/95 underspend.

Leaving aside the question of how an "early" top up could be interpreted, we agreed that given the size of the Trusts operating capital - estimated to be around £6.5 million in March 1995 - there is no justification for additional funding now. It would be better to revisit the subject at the time of the Winter Supplementary in September 1995. At that stage we will be able to consider bidding for an additional £2/3 million, from any 1995/96 underspend, which, if agreed, could be made available to the trust later in the 1995/96 financial year.

In my view this timing would have the benefit of providing the top up nearer March 1996 which is a more appropriate time both actually and presentationally (you will recall from my minute of 2 March that we were seeking to top up in 1996/97). I will ensure that our papers are flagged to bring this issue forward.

We sought via the PES bid to restore the size of the fund to its original £10 million. Assuming that a top up is made in 1995/96 we will need to consider whether we seek more funding in 96/97, from any underspend in that year, to achieve our original purpose.

Happy to discuss.

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