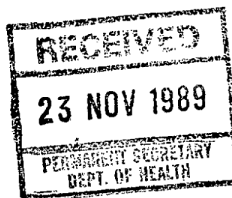


Perm *Seg*

Mr Davey
 Ms Wick
 Mrs Ballock
 Mrs Gwynne
 Mr Heppell
 Mr Shuck
 Mr Barton AIDS Unit
 Mr Dobson
 Mr Gannon



The Rt Hon Norman Lamont
 Chief Secretary
 The Treasury
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Telephone 01 210 3000

From the Secretary of

State for Health

23 NOV 1989

D. Norman

HAEMOPHILIACS

I have been considering further the agreement reached in discussion with the Prime Minister about the allocation of a further £20 million to the Macfarlane Trust.

We had intended, as you know, to provide the additional funds over the PES period but with the £10,000 payment per family occurring in 1990. On reflection I am sure that we will come under considerable pressure to make the payments as soon as possible this year ie before Christmas. I have considered whether it would be possible for us to negotiate with the Trust for a half payment to be made this year out of their existing funds and for the other half to be paid next year out of the additional funds we provide. But even if it were possible, that would considerably reduce the impact of what we are doing and increase the risk of further pressure. And of course some of those with AIDS may die before the payments are made thus adding to the claim that we are providing "too little, too late". To bring forward the payments to this year would strengthen our position very considerably.

I would therefore be most grateful if you were able to agree to an advance from the Contingency Reserve in the current year which would be offset by an equal reduction in the HPSS cash limits next year. This would enable the Government both to make the maximum impact with the resources we are providing and to give - and be seen to give - speedy help to those affected.

C A R I N G F O R T H E 1 9 9 0 s

We calculate that, on the basis of the reserves currently available to the Trust, they should be able to fund £5 million of the £12 million estimated to be required for the payments of £10,000. We would need to top this up by a payment of £7 million to leave them with a workable balance for a more generous scheme in 1990/91. I am therefore seeking your agreement to an advance from the Reserve of £7 million this year to be offset fully next year from the UK HPSS Cash Limits.

✓ The Macfarlane Trust as you know operates on a UK basis. I shall of course be expecting Territorial Departments to make the usual contribution. I am copying this letter to the Prime Minister, the Lord President, the Secretaries of State for Scotland, Wales and Northern Ireland and Sir Robin Butler.

GRO-C

KENNETH CLARKE