Witness Name: **Sir Duncan Kirkbride Nichol**

Statement No.: **WITN7648001**

Exhibits: **WITN7648002-WITN7648114**

Dated: **28 February 2023**

INFECTED BLOOD INQUIRY

FIRST WRITTEN STATEMENT OF SIR DUNCAN KIRKBRIDE NICHOL

Contents

0 Opening Comments

0.1. I, Sir Duncan Kirkbride Nichol, will say as follows: My name is Sir Duncan Kirkbride Nichol CBE of GRO-C I was born in GRO-C, Yorkshire on GRO-C 1941. I worked my entire career in the National Health Service ("NHS"), including as Regional Health Administrator between 1981 and 1984 then Regional General Manager ("RGM") between 1984 and 1989 at the Mersey Regional Health Authority ("MRHA"). I was initially a non-executive director in 1989 and later became Chief Executive ("CE") of the NHS Management Executive ("NHSME") (or NHS Management Board ("NHSMB")) from January 1989 until January 1994, with the Civil Service rank of Permanent Secretary Level 2.

0.2. I am providing this statement in response to a request from the Inquiry dated 16 November 2022 and by reference to the Inquiry's Terms of Reference and the List of Issues which was enclosed with the request.

0.3. I have followed the section headings in the Inquiry's request and have tried to group my answers under the same subjects.

0.4. I would like to begin my witness statement by making a few brief opening comments.

0.5. My overriding responsibility and preoccupation as CE of the NHSME was to deliver the government's policy of establishing an internal market in the NHS, with services contracted between purchasers and providers and to develop the providers as self-governing NHS trusts.

0.6. Although the UK Blood Services fell within my remit, it was one of a number of areas I was dealing with during my time as CE of the NHSME and my memory of specific instances is slightly more difficult to recall when compared with the major policies of the day, eg "*Working for Patients*", "*Health of the Nation*", and the "*Patients Charter*". With regard to my memory of the operational aspects of the UK Blood Services, this has therefore been more stretching.

0.7. Above all else, I want to express my personal distress for the victims of this tragedy and for their families and friends.

0.8. I have answered the Inquiry's questions with the benefit of assistance from my lawyers. They have assisted me with the drafting of my statement and referencing the documents. I have been involved in what I have considered to be an iterative process of putting my statement together.

0.9. As requested, in this statement I will answer the questions as far as I am able to do so from my own knowledge and involvement in the events, having regard to the documents provided by the Inquiry, as supplemented by those made available to me through the Government Legal Department. Some of those documents have triggered my memory but I have largely had to rely upon the content of the documents available to me in order to add detail to the events and matters referred to in my statement. If more documents are retrieved which are relevant to the issues in my statement, I intend to amend this statement accordingly.

1 Introduction

1.1. In relation to my professional qualifications, I am a Fellow of the Institute of Health Services Management (FHSM).

1.2. As regards my employment history, I joined the NHS in 1963 as a graduate trainee and worked my way up from St Thomas's Hospital where I was an administrative assistant from 1965 to 1969.

1.3. I worked at Manchester Royal Infirmary as secretary from 1969 to 1973.

1.4. I was South Manchester University HMC deputy group secretary from 1973 to 1974.

1.5. I then became South Manchester district health authority ("DHA") district administrator from 1974 to 1977.

1.6. I was Salford area health authority administrator from 1977 to 1981.

1.7. I was MRHA Regional Health Administrator from 1981 to 1984 then RGM from 1984 to 1989.

1.8. I was initially a non-executive director in 1989 and later became CE of the NHSME from January 1989 until January 1994.

1.9. I was Professor and Head of the Centre for International Healthcare Management at the University of Manchester from 1994 to 2004.

1.10. I then took on a variety of non-executive public and private sector positions, including the following:

1.10.1 I was a non-executive director on the BUPA Board from 1995 to 2002.

1.10.2 I was chairman of Clinical Pathology Accreditation from 2000 to 2009.

1.10.3 I was a non-executive director of Synergy Health Limited from 2002 to 2015 and then of Steris Limited from 2015 to 2019.

1.10.4 I was chairman of the Parole Board for England and Wales from 2004 to 2008.

1.10.5 I was chairman of the QC Selection Panel from 2005 to 2008.

1.10.6 I was chairman of the Her Majesty's Courts Service Board from 2008 to 2011.

1.10.7 I was a non-executive director of Deltex Medical Group plc, a British manufacturer of fluid management devices including oesophageal doppler haemodynamic monitoring systems (cardiac sensors which measure both blood flow and pressure), from 1 August 2004 until 31 December 2020.

1.10.8 I was a non-executive director of the Christie Hospital from 2008 and deputy chairman from 2009 until 2012, when I was appointed Chair of the Countess of Chester Hospital NHS Foundation Trust. I resigned from that position in 2020.

1.10.9 I was a non-executive director on the United Kingdom Accreditation Service board from 2009 to 2019.

1.10.10 I was a non-executive director of the Academy for Healthcare Science from 2012 to 2015.

1.11 In this statement I focus only on my roles at MRHA and as CE of the NHSME, as these are the roles relevant to the Inquiry's Terms of Reference.

1.12 I doubt that my other roles or appointments are relevant to the Inquiry but, for completeness, I was appointed a Commander of the Order of the British Empire in the 1989 New Year Honours and knighted in the 1993 New Year Honours.

1.13 I am asked whether I am or was a member of any committees, associations, parties, societies or groups relevant to the Inquiry's Terms of Reference. While CE of the NHSME, I was part of the NHS review implementation steering group which co-ordinated the review programme within the Department of Health ("DH") (as it was from 1988) to ensure that various elements were brought together and programmed, including management action, implementation, policy and legislation. The main projects we oversaw are listed at **[WITN7648002]** and included self-governing hospitals, funding and contracts for hospital services, and practice budgets for GPs, some of which I expand upon further below. The eight working papers for each of these are exhibited to my statement at **[WITN7648002]**, **[WITN7648003]**, **[WITN7648004]**, **[WITN7648005]**, **[WITN7648006]**, **[WITN7648007]**, **[WITN7648008]** and **[WITN7648009]**. These were mainly designed to implement the white paper's proposals in "*Working for Patients*".

1.14 I confirm that I have not provided evidence or been involved in any other inquiries, investigations, criminal or civil litigation in relation to the human immunodeficiency virus ("HIV") and/or hepatitis B virus and/or hepatitis C virus ("HCV") infections and/or variant Creutzfeldt-Jakob disease in blood and/or blood products.

2 My role at the MRHA

2.1 I have been asked to describe the roles, functions and responsibilities I had at the MRHA and how these changed over time. To clarify, I was never a Regional Medical Officer ("RMO") at MRHA. I arrived at MRHA as Regional Health Administrator and was appointed RGM in 1984. I set out my roles, functions and responsibilities in these two positions below.

Responsibilities as Regional Health Administrator and RGM

2.2 As the Regional Health Administrator, I was a member of the top executive team, working in consensus with the medical, nursing, finance and estates members of the team to collectively discharge the responsibilities of the MRHA, and reporting to the board. When I became RGM, I was personally accountable for the responsibilities of the MRHA and had overall responsibility, with the senior members of the executive team reporting to me (for example, the director of finance, director of nursing and RMO, albeit they retained direct access to the MRHA board on professional matters).

2.3 In my roles at MRHA as Regional Health Administrator from 1981 to 1984 and then RGM from 1984 to 1989, I was responsible for various matters including considering:

2.3.1 Whether it was possible to achieve the Mersey regional targets for the supply of fresh frozen plasma to the Blood Products Laboratory at Elstree ("BPL") **[DHSC0002215_048]**;

2.3.2 The possible timescale to achieve this commitment and other factors affecting performance **[DHSC0002215_048]**; and

2.3.3 The question of self-sufficiency in the supply of blood and blood products within the NHS **[DHSC0002247_073]**.

2.4 With the above in mind, I was responsible for overseeing the implementation of certain measures including:

2.4.1 A programme designed to increase targets for blood and plasma collection **[DHSC0002247_073]**;

2.4.2 The introduction of the SAG-M (international plasma pack) to increase blood processing capacity and the yield of plasma **[DHSC0002247_073]**;

2.4.3 The progressive expansion of the automated plasmapherisis programme by the purchase of a 'homenetics model 50' machine **[DHSC0002247_073]**;

2.4.4 A reorganisation of the management and staffing of blood donor sessions **[DHSC0002247_073]**;

2.4.5 The computerisation of the blood donor panels which was underway in 1984 **[DHSC0002247_073]**; and

2.4.6 The expansion of facilities at the Mersey Regional Transfusion Centre ("MRTC") without necessarily waiting for a final decision from the Department of Health and Social Security ("DHSS") (as it then was) on the use of heat treatment Factor VIII to kill HTLV III virus ("HTLV") and its impact on the plasma targets (there was an anticipated loss of yield inherent in such treatment), to increase plasma production as soon as possible **[DHSC0002253_033] [DHSC0003997_095]**.

Organisation of the MRHA

2.5 The MRHA was accountable to the DHSS (as it then was).

2.6 During the time that I worked at the MRHA as Regional Health Administrator, it was made up of:

2.6.1 RMO: Dr J.D. Egdell

2.6.2 Regional Treasurer: M.H. Collier

2.6.3 Regional Works Officer: Eric E. Stentiford

2.6.4 Regional Nursing Officer: Miss M.R. Worster

2.6.5 Director of Planning: Mr Peter A. Fursdon

2.7 I reported to the chairman of the board, which comprised non-executive directors, the dean of the medical school in Liverpool and members of the executive team.

Funding of the MRHA

2.8 The MRHA was funded directly by the DHSS through a weighted capitation formula for the 3.1 million population, which we served.

Remit of the MRHA

2.9 In terms of its remit, from what I recall, the MRHA had the Royal Liverpool Hospital, which was responsible for the Haemophilia Centre, various other hospitals across Merseyside and Cheshire and a blood transfusion centre at West Derby Street, Mount Vernon in Liverpool **[DHSC0004176_015]** which opened in June 1984 **[DHSC0002247_073]**. In September 1984, the MRHA established a centre in Caernavon for the recruitment of donors and the expansion of sessional activity **[DHSC0002247_073]**, and a centre in Wrexham in 1986 **[DHSC0002247_073]**. It also opened a new blood testing laboratory complex in July 1988, at a cost of £500,000. These laboratories greatly enhanced the region's capacity for testing blood donations for AIDS, Hepatitis B and Syphilis and, subject to the availability of donors, would have enabled Mersey to increase its contribution of blood plasma to the BPL **[WITN7648010]**.

Regulation of the MRHA

2.10 Accountability was to the DHSS, rather than through any form of regulation.

MRHA's relationship with the BPL and other laboratories involved in the production of blood products or processing of blood

2.11 The MRHA had no direct relationship with the BPL or the Plasma Fractionation Centre.

2.12 However, as mentioned at paragraph 2.3.1 above, I considered whether it was possible to achieve the Mersey regional targets for the supply of plasma to the BPL and had a number of associated responsibilities (outlined in paragraph 2.4 above).

2.13 When I wrote to the DHSS on 19 December 1984 **[DHSC0002253_033] [DHSC0003997_095]**, the response I received suggested that the targets for all regions were "*determined to progressively build up a store of plasma at BPL Elstree*" but that it was awaiting "*more certain information about the heat-treatment process adopted by BPL…*" **[DHSC0003997_083]**. The DHSS's response also noted that there was a pilot project in operation in Wessex which

included cross charging between Regional Health Authorities ("RHAs") and BPL **[DHSC0003997_083]**.

MRHA's dealings with the DHSS

2.14 The MRHA had frequent dealings with the DHSS on matters of strategic planning, finance, capital building, major operational issues (for example, plasma supply) and high profile reputational and political issues. Some specific examples are given below.

2.15 Between at least December 1981 and March 1985, MRHA was in correspondence with the DHSS regarding the supply of plasma to the BPL, as referred to above **[DHSC0002215_048] [DHSC0002247_073] [DHSC0002253_033] [DHSC0003997_095] [DHSC0003997_083]**.

2.16 On 18 December 1981 John Shaw of the DHSS advised that ministers had authorised the redevelopment of the BPL and a new laboratory to be commissioned by the end of 1984 **[WITN7648011]**. With that in mind, the DHSS was seeking clarity from RHAs on the demands likely to be made of the new laboratory, with the aim of achieving self-sufficiency in blood products. It requested an "*early indication of RHAs' ability and willingness to provide fresh frozen plasma for fractionation…as soon as possible*" **[WITN7648011]**. I responded to the DHSS on 5 March 1982 addressing the matters referred to at paragraphs 2.3.1 and 2.3.2 above **[DHSC0002215_048]**.

2.17 In response to a letter from J.A. Parker of the DHSS dated 10 August 1984, I wrote on 11 October 1984 addressing the matters referred to at paragraphs 2.3.3, and 2.4.1 to 2.4.5 above **[DHSC0002247_073]**.

2.18 Further to that letter, I wrote again to the DHSS on 19 December 1984 addressing the matters referred to at paragraphs 2.4.6 and 2.13 above **[DHSC0002253_033] [DHSC0003997_095]**, and the DHSS responded as noted in paragraph 2.13 above **[DHSC0003997_083]**.

2.19 As noted above and as is evidenced by the above correspondence, the DHSS had a significant degree of oversight over the MRHA on the above matters.

3 Relationship between the MRHA and the MRTC

3.1 The director of the MRTC reported directly to MRHA's RMO who was the principle point of contact for the MRTC. MRHA's director of finance was responsible for overall budget issues, and the director of operations for key operational matters such as plasma supply.

3.2 My role was one of general oversight over policy and development. The MRTC operated with a high level of autonomy.

3.3 The decisions about revenue and capital funding were based on the recommendations of MRHA's director of finance to the executive management team under my chairmanship and ultimately to the board of MRHA.

3.4 I cannot recall how plasma procurement was funded. However, I note the reference in **[DHSC0004176_015]** that the commercial blood products required to supplement MRTC supplies were bought from area/district budgets.

3.5 As regards the MRTC's targets for plasma, in 1982 the target for the Mersey region was 27,400 kilos per annum based on a catchment population of 3.1 million. The region estimated that the maximum attainable against target was 45% from our normal blood donations, leaving the deficit to be met by plasmapheresis **[DHSC0002215_048]**.

3.6 Before the question of heat treatment arose, it was envisaged that if the targets set for 1986-1987 were met, self-sufficiency would have been achieved nationally and no further increases in targets would be likely. However, heat treatment would result in a loss of product, a final decision on which would not be made for several months **[DHSC0002253_033] [DHSC0003997_095]**. It seems that at the time of writing my 19 December 1984 letter to the DHSS I did not have information regarding production targets beyond 1986-1987.

3.7 The MRHA received a report detailing the implications of expanding plasma supply and provided the required short-term funding. The various measures taken or in process of implementation were to include all the elements of the programme as set out in my 11 October 1984 letter and as noted at paragraphs 2.4.1 to 2.4.5 above **[DHSC0002247_073]**.

3.8 The purpose was to remove the dependency on commercial blood products and achieve the goal of self-sufficiency.

3.9 As mentioned in my letter to the DHSS dated 19 December 1984, the MRHA was giving attention to expanding existing facilities at the MRTC **[DHSC0002253_033] [DHSC0003997_095]**. I did not feel the facilities were sufficient to meet blood and blood product demands, which is why I suggested proceeding with arrangements to increase production in plasma without waiting for a decision on heat treatment. Mr Fursdon of the MRHA engaged in discussions with Dr Smithies and Mr Arthur of the DHSS to that effect. With the planned development of facilities and the ongoing need for investment in the MRTC, I felt that the MRHA could meet the demands for blood and blood products.

3.10 Generally, the process involved in making requests or changes to the available facilities at the MRTC and my involvement in decision-making regarding the supply of blood plasma to the BPL was as outlined above.

3.11 In the DHSS's response to my 19 December 1984 letter, dated 5 March 1985, they recognised the "*problems which were being encountered in the drive to self sufficiency*" **[DHSC0003997_083]**. I do not recall a personal view on the problems mentioned.

3.12 MRHA was in fairly regular correspondence with the DHSS regarding the supply of plasma to the BPL **[DHSC0002215_048] [DHSC0002247_073] [DHSC0002253_033] [DHSC0003997_095] [DHSC0003997_083]**.

3.13 On 11 October 1984, I sent a letter to J.A. Parker regarding the supply of blood plasma to the BPL **[DHSC0002247_073]** and there was discussion around the measures which had been, or were yet to be, implemented at the MRHA to assist in achieving self-sufficiency. In my view, these were measures that were introduced expeditiously and were of high priority. I do not recall that there were other measures considered to help achieve self-sufficiency.

3.14 In implementing these measures, I do not recall difficulties that were not overcome.

4 My role as CE of the NHSME

4.1 In my role as CE of the NHSME, I was accountable to the Secretary of State and worked closely alongside the Permanent Secretary and Chief Medical Officer ("CMO").

4.2 I was the accounting officer for the NHS vote.

4.3 My role was to implement government policy for the NHS, and principally the future direction of the NHS as set out in the white paper *"Working for Patients"* and other major policy initiatives such as "*Health of the Nation*", designed to raise the health standards of the population.

4.4 I was responsible for overseeing the objectives set for RHAs and the review process for monitoring compliance.

4.5 The executive members of the NHSME reported to me.

4.6 I was responsible for advising all RGMs regarding various matters such as:

4.6.1 The provider/purchaser contracts **[WITN7648012]**;

4.6.2 The standards of management and conduct raised by the audit commission's "*Reports In the Public Interest*" **[WITN7648013]**; and

4.6.3 Public expenditure on health and RHA allocations **[WITN7648014]**.

4.7 I shared responsibility together with the wider DH for the organisation, structure, and operation of the Blood Transfusion Service ("BTS").

4.8 The BTS distributed blood to various hospitals as requested by the haemophilia directors, and individual hospital pharmacies bought in the commercial blood products needed to supplement those supplies, therefore commercial material came out of the area/district's budgets rather than the BTS's budget **[DHSC0004176_015]**.

4.9 The BTS supplied blood to NHS and private hospitals with 2-4% of the supply going to the private sector. From 1984, private hospitals paid a handling charge only – these varied considerably between each regional transfusion centre ("RTC") and this was one of the issues later to be tackled by the establishment of the national blood authority ("NBA") **[WITN7648015]**.

4.10 Management arrangements for transfusion services by each RHA as at March 1989 are set out in **[WITN7648016]**.

4.11 In February 1991, I welcomed Andrew Foster as the new deputy CE of the NHSME **[WITN7648017]**.

Advice to NHS staff

4.12 On 9 June 1993, I published advice to NHS staff on their right to speak out on concerns about healthcare. I thought it was important that we "*encourage a climate of openness and dialogue within the NHS where the free expression by staff of their concerns [were] welcomed by managers as a contribution towards improving services. However, this must be done reasonably and with proper regard to principles of confidentiality of patient information and also confidentiality to the employer, which the guidance explains*". The guidance provided "*a framework within which local procedures to resolve differences can be developed in consultation with staff and their representatives*" **[DHSC0020725_116]**.

4.13 A copy of the guidance is at **[WITN7648018]** and, in short, it set out the rights and responsibilities of staff when raising issues of concern about healthcare matters. It noted the key principle of putting patients first and ensuring their individual interests were paramount.

4.14 My publishing this advice was prompted by holding a deep-seated value, shared by the Secretary of State and many in the NHS, towards promoting a culture of openness and dialogue. The right to speak out advice was not prompted by any specific events or concerns.

Advice regarding white paper proposals

4.15 By letter dated 22 March 1989, I wrote to all the RGMs of RHAs regarding certain structural, operational and organisational proposals from the white paper, "*Working for Patients*" **[NHBT0118859_007]**. The main aim was to create an NHS organisation in which those who provided the services were also responsible for day-to-day decisions about operational matters.

4.16 The letter annexed guidance on the approach which the NHSME expected to be taken by RHAs in satisfying themselves that DHAs had, wherever possible, delegated operational functions to their units **[WITN7648019]**. In particular, it suggested that RHAs would need to review their structures to perform the primary role of managing their districts and the healthcare of their population and assume the new responsibilities which fell to them as a result of the white paper. The core tasks within these functions were described as follows:

"a. monitor and promote the health of their population (including the functions set out in RC(88)64);

b. determine with Districts and FPCs the health needs of their resident populations; collect and manage information which will facilitate this;

c. plan and ensure ready access to appropriate services;

d. allocate financial (including capital) resources and manage the capital programme;

e. set District performance targets and objectives, and monitor performance including quality of service;

f. plan for the Region's manpower needs and monitor performance against them; ensure that adequate programmes of education and training are provided, including appropriate university/medical school links; and that progress towards Achieving a Balance is sustained. Continue to hold the contracts of medical staff employed in non-teaching Districts, though devolving their day to day management;

g. manage change and the implementation of Government policies"

[WITN7648019].

4.17 The annex explained that regions would need to prepare to take on additional functions set out in the white paper in connection with the following:

"- Funding and contracts (Working Paper No 2)

- GP practice budgets (Working Paper No 3);

- GP prescribing budgets (Working Paper No 4);

- Development of medical audit (Working Paper No 6);

- Appointment of TPC members (Working Paper No 8);

- Accountability of FPCs (Working Paper No 8)"

[WITN7648019].

4.18 The annex further explained the Government had asked NHSME to review the provision by RHAs of a variety of operational and support services, to consider whether such services were needed at all and, if so, whether more effective means existed for their provision including delegation to DHAs, contracting out to the private sector, and other options such as putting the service on a different operational basis. As noted in the annex, some RHAs had already been moving in this direction following the introduction of general management in 1985, so the shape of future progress depended on individual RHA structures. The annex explained that it was "*for Regions to determine detailed proposals for implementation of these changes in the light of their current arrangements and the NHSMB's overall requirements. NHSMB will approve proposals against these broad criteria and a Region's individual circumstances*" **[WITN7648019]**.

4.19 With regard to the BTS, it was noted that a National Directorate had been set up to lead, though not to manage, the regional services. RHAs were advised to consult the National Director before reaching any conclusions, and that regional management was likely to be a continuing feature of this service, but that the position of all such services should be reviewed **[WITN7648019]**.

4.20 Having looked back through the annex, I consider that as far as the UK Blood Services were concerned, the most important aspect was that the BTS was the exception to the rule of delegating decision-making to DHAs. This was not the time for such delegation in respect of the BTS, but it was to be kept under review.

4.21 As for support services within RHAs, this category required the closest scrutiny on grounds of cost, efficiency and effectiveness, and quality of provision **[WITN7648019]**.

4.22 RHAs were also requested to review the levels of decision-making authority delegated to districts in various functions and ensure these were consistent with the principle of maximum delegation **[WITN7648019]**.

4.23 RHAs were requested to submit their proposals for streamlined structures in respect of all of the above to NHSME, through their regional principals, by 30 September 1989. The NHSME aimed to respond within one month and, upon receiving approval of their proposals, RHAs were advised to proceed to implement them, "*aiming for early completion*" **[WITN7648019]**.

4.24 As for DHAs, they maintained their previous role but also assumed responsibility for the day to day management of their consultants' contracts, and for ensuring that an effective system of medical audit was in place **[WITN7648019]**. It was "*not envisaged that each unit must be fully self-sufficient in each function*" **[WITN7648019]**.

4.25 Similarly for DHAs, they were requested to submit their proposals for reviewing their headquarters' structures to their RHAs by 30 September 1989, for approval **[WITN7648019]**.

4.26 In the light of the significance of my letter of 22 March 1989 I would expect these proposed organisational changes were agreed by the NHSMB with ministers copied in, but I cannot recall. These white paper changes were not specifically proposed to assist in achieving the nationwide drive to self-sufficiency in blood and blood products. In my view, the changes laid the groundwork for the purchaser/provider (the so-called "internal market") split and the creation of self-governing NHS trusts, with the imperative to strengthen management capacity at unit level, and were a success.

4.27 In a further letter dated 14 December 1989, I explained that the purpose of almost £60 million of the £77 million allocated to RHAs for 1990-1991 was to develop and expand the finance and personnel functions to meet the new demands which the changes to the management at unit level would bring **[DHSC0032153_226]**.

4.28 These reforms were made to cover the objectives of "*Managing Better Health*" including implementing the white papers "*Working for Patients*" and "*Caring for People*". Establishing the necessary frameworks in time for the changed roles of RHAs which would take effect from April 1991 presented a considerable challenge and additional workload at all levels **[WITN7648020]**.

4.29 The RHAs conducted annual reviews and an example of the key points arising from the East Anglian RHA's review on 29 November 1990 is at **[WITN7648021]** and an example of the South East Thames RHA's review meeting is at **[WITN7648022]**. The East Anglian RHA was one RHA which had been very successful in preparing for the NHS reforms and managing change. They had also reduced waiting lists and times in 1989-1990. To achieve this, they had a short term programme for 1990-1991 to implement the regional objectives drawn up by NHSME **[WITN7648020]**, **[WITN7648023]**, **[WITN7648024]**.

Engaging external consultants

4.30 Thinking back, I did not recall the engagement of external consultants, but my memory has been refreshed by the documents provided to me. I can now see that the NHSME did engage with external consultants on how to improve the efficiency of the UK Blood Services, but not the specifics of their engagement or impact.

4.31 I have been referred to some notes, which are undated but look like bullet-point speaker-notes. They refer to "*Self-sufficiency in blood and blood products*" and suggest that informal advice was taken by the DH from DHS Management Consultants who carried out a study of BTS in 1987 (a point which I see is confirmed in **[NHBT0001781]**) and that Ernst Young ("EY") had also "*considered service would be improved by national management*" **[NHBT0000478]**. 1987 pre-dates my tenure, but I have set out below the DH's engagement of external consultants in trying to improve the BTS, during my time as CE of the NHSME.

4.32 In autumn 1990 and further to the DH's request, the Central Blood Laboratories Authority ("CBLA") asked Touche-Ross to advise on the relationship between BPL and CBLA **[NHBT0001781]**. I expand on this further in paragraph 4.45 below.

4.33 I am also referred to a letter from Dr R.J. Moore to Mr Shaw Edwards at EY dated 20 March 1991 enclosing a brief to provide a quote "*to advise on the appropriate organisational structure for the services which collect, process and*

supply blood and plasma in England and Wales" and incorporating the residual functions of the CBLA, to be funded from their 1991-1992 budget **[NHBT0001781]** (which makes me think the speaker-notes referred to at paragraph 4.31 above must have post-dated this 1991 brief). It seems that the proposal to employ EY had the full support of Dr H.H. Gunson **[NHBT0001781]**.

4.34 The brief to EY presented the case for a nationally funded and managed BTS, arguing that there were benefits of quality, supply, cost effectiveness and accountability which could only be gained in this way. EY was asked to consider the following options: evolutionary (whereby RTCs adopted a variety of local management arrangements and the National Directorate retained a non-executive co-ordinating role); and a new organisation incorporating the new role for CBLA **[NHBT0001781]**.

4.35 I do not recall this consultancy or if it was commissioned, or any contribution it made to the final decision about UK Blood Services, but acknowledge that the work was done.

4.36 I am also referred to a letter dated 3 April 1991, which Dr H.H. Gunson wrote to all RTC directors noting that the proposal for a national management structure for the BTS had made little progress with DH and that he had since written to Ms Catherine Hawkins, lead RGM and a member of the BTS co-ordinating committee, asking for her view on the best way to take the matter forward **[NHBT0001777]**. Partly as a result of her advice, he explained that EY would be employed to approach the problems and prepare costed options for change by mid-May 1991, with a final report available for discussions with the DH in early summer **[NHBT0001777]**.

4.37 EY's report led the National Directorate of the BTS to put restructuring proposals to the DH in June 1991 **[NHBT0002194]**.

4.38 Later, in June 1992, at the request of the North West RHA, British Red Cross was invited to explore the possibility of bidding to run a significant part of the BTS **[WITN7648025]**.

4.39 In November 1992, Medeva Plc proposed an association between it and BPL which it suggested could secure some of the benefits of commercialisation of BPL's activities without necessarily going to full privatisation **[WITN7648026]**.

4.40 On 21 September 1993, I attended a meeting with Paul Rogers of Bain and Company, management consultants who were assisting the NBA by carrying out a study of transfusion requirements for the next ten years in England, including its bid to become responsible for managing the RTCs from 1 April 1994 **[WITN7648027]**, **[WITN7648028]**, **[WITN7648029]**. I do not recall this meeting or whether the advice of the management consultants helped the NBA to devise its overall strategy for UK Blood Services.

Organisation, structure and operation of the UK Blood Services

4.41 Early in 1990, the National Directorate saw that its role as originally conceived was being eroded, and feared that the benefits seen since its inception would be lost. This fear was shared by most transfusion directors. The National Directorate proposed a reorganisation so that each RTC would continue to be managed in response to local need, but their directors would be accountable for their performance to the National Director **[NHBT0001781]**.

4.42 Further to the above, the devolution of RTC budgets to users had taken place in two regions by July 1990 and others planned to follow in April 1991 **[NHBT0001781]**. I have no recollection of this, but it appears from the documents I have seen that the National Directors took a leading role in encouraging the development of service agreements between RTCs and purchaser hospitals **[NHBT0001781]**.

4.43 In July 1990, Dr H.H. Gunson and Dr R.J. Moore (National Director and Deputy Director of the BTS respectively) put forward a proposal to the DH for national management of the BTS **[NHBT0001781]**.

4.44 However, it was dismissed as being counter to current policy **[NHBT0001781]** (30). Further challenges were raised in respect of the proposal for national management of the BTS, in the form of the NBA, some of which I set out further in paragraphs 4.96 to 4.99 below.

4.45 As mentioned above, in autumn 1990 CBLA asked Touche-Ross to advise on the relationship between BPL and CBLA **[NHBT0001781]**. Touche-Ross's report gave options for changes to maximise BPL's opportunities to compete successfully with commercial suppliers whilst retaining central NHS control over sensitive issues **[NHBT0002310]**. The DH agreed that the relationship between CBLA and BPL would become strictly contractual therefore giving free rein to future management options for BPL. The CBLA would retain the duty of being "*custodian of the nations' plasma*" **[NHBT0001781]**.

4.46 Following the responses, in January 1991, Dr H.H. Gunson and Dr R.J. Moore published a revised proposal **[NHBT0000478]** for a nationally accountable BTS, rather than the continuing presence of the 14 RTCs which were regionally managed and funded and loosely co-ordinated by a National Director who did not have executive authority. In considering the "*OPTIONS FOR CHANGE*", "*No change*" was incorporated for completeness but it was noted that it "*will not be considered further*". An alternative proposal was "*Local independence*", albeit some weaknesses were highlighted with that. Instead, the greatest emphasis was placed on introducing a "*Nationally Accountable Service*", i.e. for local RTCs to be accountable to a National Directorate which would operate through a legal authority. It was envisaged that this would preserve autonomy for local managers while enabling cost-effectiveness to be improved and a single, national approach. Further strengths were detailed in Appendix 1 to the proposal **[NHBT0000478]**.

4.47 Three structural options for a nationally accountable service were proposed: self-governing trusts, a new special health authority ("SHA"), or a newly constituted CBLA, the latter enabling the new authority "*to rationalise and pursue the aim of self-sufficiency*" **[NHBT0000478]**.

4.48 It was suggested that *"National accountability will support devolved local management to ensure that the benefits of better quality, improved supply and greater cost effectiveness are available to the NHS*" **[NHBT0000478]**.

4.49 However, the revised proposal submitted in January 1991 was dismissed as still being counter to current policy **[NHBT0001781]**.

4.50 On 16 October 1991, the national audit office ("NAO") published its report on AIDS which received a lot of publicity **[WITN7648030]**. Although it was quite favourable as to what had been achieved in AIDS services, the main focus was on underspending in 1989-1990, in particular in the North West Thames RHA **[WITN7648031]**. I was invited to comment on a draft press notice in that regard **[WITN7648032]**. I am referred to a document which suggests a draft of the NAO report was in circulation in June 1991, but I did not become aware of it until later **[WITN7648033]**.

Evidence to the Committee of Public Accounts ("PAC")

4.51 On 9 December 1991, I gave evidence to the PAC, the minutes of which are at **[DHSC0032138_003]**; **[DHSC0044614_018]**. I was briefed in advance **[WITN7648034]** **[WITN7648035]**. By reference to the minutes and my supplementary evidence submitted in 23 December 1991 **[WITN7648036]** at **[DHSC0002537_051]** and **[WITN7648037]**, I note the following.

4.52 While I was CE, I was the accounting officer responsible for budget allocation by region. While the NAO tried to make a balanced allocation of responsibilities between me and the other accounting officer, Sir Christopher France, Permanent Secretary at DH, AIDS raised matters which fell within the ambit of both **[WITN7648038]** **[WITN7648039]**. This would explain why we were both required to attend the PAC.

4.53 By reference to the allocations for 1991-1992, there was an allocation of £75.9 million firstly for treatment and care, and £10.1 million for drugs. The former was decided on the basis of the number of live AIDS cases reported in each region and the latter on the basis of the population aged 15-34. There was £52 million for non-treatment and that would include the clinics and the prevention campaigns run by the region or run by the districts. That was distributed on the basis of the population of each region. Within that figure of £52 million we did not have a specific breakdown that brought out the advertising costs of a district programme. The regions might have tracked that particular ingredient but at the national level we just had that overall category. The fourth category was for joint finance of £0.9 million. We then had figures for the local authorities by the AIDS

support grant at £10.2 million, the voluntary organisations by section 64 grants at £1.8 million and then we had a figure for the health education authority. That is the level of breakdown we had at national level to region. I would not have a breakdown for the overheads in each of the regions, but I understood it to be a very small proportion or none at all which was not being spent directly on the programme with regard to HIV and AIDS.

4.54 Some regions sometimes took some of the money off the top from this allocation and would run a region-wide campaign, but the majority of the money would be distributed down to the district HIV co-ordinations who would budget for local campaigns in their respective districts.

4.55 In order to decide on allocation, we were using a formula-based allocation from the national to regional level which was based on the number of live AIDS cases reported by first region of report. That gave us the best guide as to where the monies would be needed and was the sole criterion for allocating the resources. It was the AIDS unit within the DH which made the recommendation. I accounted for the allocation and Sir Christopher France, Permanent Secretary at DH, specifically accounted for the AIDS unit.

4.56 In 1992-1993, we significantly refined that allocation process so that we brought into play more factors which gave us a more sensitive distribution of the sum of money we would be allocating from national to regional level. It was then a combination, not just of the live AIDS cases by region of first report, but also for the community services element, the live AIDS cases by region of residence. We also incorporated the live HIV positive individuals; we were picking up not just the full-blown AIDS cases but the symptomatic HIV positive cases by region of first report at 30 September 1991. We believed we had a much more focused and targeted way of bringing to bear the information that had been refined which allowed us to focus and target the resources from the national to the regional level via these extra aspects to the allocation formula that we had brought in. The ambition was to move to patient and disease costing over time.

4.57 The monies would therefore be based on a catchment population not on a resident population, subject to the additional points in amendments to the

formula that recognised residence for community care and brought in some judgements about the numbers of HIV positive patients that were diagnosed, as noted above.

4.58 In my view, the system for budget allocation was effective because there existed quite an intensive process of evaluation, certainly across the professional interests. Doctors were in constant communication across the profession about the effectiveness of the drug regimes. The centres were concentrated in London for treatment and care purposes and there was a very close network of collaboration across the Thames regions, pooling information about costs in hospitals, lengths of stay, and comparing the developments that were occurring in the community through the voluntary sector, which was operating at regional level, which I thought was a very important determinant of the way the resources were used to best effect from region to district.

4.59 The purchasers were purchasing against resident and their own requirements at local level rather than formulaically, but that is not what we were prepared to do in terms of allocating the AIDS money for at least another year.

4.60 The MRHA was an example of a region which put extra money into preventive campaigns beyond the allocations we had given them. We made the point quite clearly to our regions that these allocations from the centre were contributions to the expenditure on AIDS, they were earmarked contributions, but they should not represent a ceiling of expenditure.

4.61 However PAC was concerned that ring-fenced AIDS monies had been 'misappropriated' by some regions and there were instances, such as in the North West Thames RHA, which in 1989-1990 only used £27.7 million out of its £36.9 million allocation, and used £8.5 million from the AIDS budget to finance its regional capital programme. The explanation for that was that they had in fact provided the districts with all the resources that the districts had requested. They had met the requests of the districts but they had not spent the allocation. Reasons included the delay in capital building and too large a provision of reserves. The North West Thames RHA later agreed to pay £8.5 million to the AIDS budget over a two-year period to make sure the underspendings in the

previous two years from this earmarked, ring-fenced money was spent on the purpose for which it was voted.

4.62 A similar issue arose for the West Midlands RHA, explanations for which were set out in its AIDS (Control) Act reports but the officers of the AIDS unit investigated those, I did not. My concern was to ensure that any underspending was corrected in future years and indeed supplemented by regions from their own resources. Some RHAs used underspends to overcome deficits on other activities, without approval. In these cases, monies generally had to be repaid to the AIDS budget in subsequent years.

4.63 The reports were a very important tool for us. They enabled us to be sure that the money we were spending in 1991 recouped some of the underspending in previous years. The DH was confident that the money was planned to be spent on HIV and AIDS related services.

4.64 What was inexcusable was the fact that some RHAs did not seek to negotiate any variances in the programme with us in advance. There could be situations where it could be impossible to match revenue to capital and we did need to take account of that. To do so without prior negotiation was not acceptable, which we established, and which is why in 1991 we were no longer waiting for the reports to come through after the year in question but instead started intercepting with in-year monitoring to find out what the current state of the spend was. Had the in-year monitoring produced underspendings, we would have investigated those underspendings. All the regions planned to spend £10 million more than the allocation. Had that not been the case, we would certainly have looked into that. For 1992-1993 we increased the regularity to quarterly monitoring, to supplement the annual AIDS (Control) Act reports.

4.65 In my view it was not a matter of misusing the money but rather of delaying spending to make sure it was used most effectively for AIDS purposes. The RHAs that did this in a planned way were looking responsibly at how they could use the earmarked AIDS money to its best effect and, if this meant rescheduling spending across financial years, then this was clearly a reasonable use of the funding, and provided good value for money in a planned way. The RHAs

should have cleared any such adjustments in advance with the DH and the monitoring arrangements introduced for 1992-1993 were aimed at ensuring that RHAs alerted us to any possible underspends in year. In order to establish a baseline against which to monitor spending, RHAs were required to provide profiles of their planned spending before the beginning of each financial year. The underspendings which occurred in 1989-1991 were taken forwards from one year to the next within the ring-fenced money committed to the RHA's AIDS programme, to ensure no money was lost from the programme overall.

4.66 In January 1992, I was provided with more background to the underspend in the North West Thames RHA and the underspend was picked up by the AIDS unit **[WITN7648040]**.

4.67 In July 1992, following North West Thames RHA's underspending and the PAC hearing, there were discussions around the planning of future NHS developments and I was a part of those. We resolved that:

4.67.1.1 Close links had been established between the AIDS unit and the NHSME directorates at working level, and would be further developed. Arrangements for the analysis of the regional returns were agreed;

4.67.1.2 Proposals for the 1992-1993 allocations were to be agreed between the AIDS unit and others, and submitted to the NHSME; and

4.67.1.3 Progress reports to the NHSME would only be at key stages in the annual cycle, unless on an exceptional basis **[WITN7648041]**.

4.68 The underspend position was rectified in all cases examined by the PAC. 1990-1991 underspend was half that of 1989-1990 and a £10 million overspend on AIDS allocations was forecast for 1991-1992 **[WITN7648042]**.

4.69 In May/June 1992, the AIDS unit referred to a report produced by the PAC on HIV and AIDS, noting its main conclusions and setting out the action being taken, including:

" refining the allocation process to achieve a more sensitive distribution of funds*

** retrieving underspends and tightening up scrutiny of expenditure by means of quarterly financial monitoring*

** introducing patient and disease costing*

** encouraging GP involvement with HIV/AIDS patients*

** Overseeing better linkage between national and local HIV prevention efforts"* **[WITN7648043]**, **[WITN7648044]**.

4.70 An example of a letter dated 23 September 1992 from the AIDS unit containing a brief summary of the main areas outlined in the West Midlands' report that year is at **[WITN7648045]**. As noted in that letter, the AIDS unit would scrutinise all RHAs' reports "*in preparation for an overview to the NHSME and feedback on individual reports to the [RHAs] concerned*" **[WITN7648045]** and financial allocations reflected an underspend of over £2 million which was carried forward for use in 1992-1993 **[WITN7648045]**.

4.71 By February 1993, the NHSME was invited to note recent developments in the AIDS field in light of a brief overview of the AIDS (Control) Act reports for 1991-1992 with particular reference to regional spending data for 1991-1992 and the first two quarters of 1992-1993. That submission concluded that there was "*no evidence of major underspending on the part of the regions*" and there was "*cautious optimism, that despite isolated underspending, the problems that led to the PAC criticisms have been effectively addressed*" **[WITN7648046]**.

Funding for high purity Factor VIII

4.72 Separately, concerns were raised regarding the financial implications of the introduction of high purity ("HP") Factor VIII in the treatment of haemophiliacs. On 7 July 1992, I wrote to Mr Fletcher (RGM, West Midlands) in response to his letter of 15 May 1992 **[WITN7648047]** in that regard. I explained that I very much doubted whether the recommendations of the directors of regional haemophilia centres to use HP Factor VIII for this purpose would have as great an impact on the cost of haemophilia care as he feared:

"- some patients are already using [HP] products and the trend towards this was already clearly established;

- an increasing proportion of factor VIII usage in future will be on HIV sero-negative haemophiliacs, for whom the guidance is not as clear-cut as for those infected with HIV;

- The relative cost of [HP] Factor VIII is already coming down as a result of BPL's entry into the market and in the longer term may not be significantly different from that of intermediate products" **[WITN7648048]**.

4.73 In the short term, I noted that any increased usage of HP Factor VIII would be an added burden on RHAs, but that was equally true of many of the advances which the medical profession was continually developing and seeking to implement. It was therefore a justifiable use of the growth money for the health service secured within the public expenditure process. Decisions on how fast any medical advance should be introduced were, in my view, best taken locally and I could see no case for any kind of central funding initiative which could be funded only by top-slicing RHAs' allocations **[WITN7648048]**.

4.74 I did however accept that there was an issue regarding the way in which the haemophilia directors' recommendations were arrived at, and the timing of their subsequent publication. In a field as specialised as haemophilia care, it was hard to see how national guidelines of this kind could be formulated in any other way than through the independent consensus view of the specialists in the field; the most we could hope to do was ensure, through our professional contacts with the directors, that the cost-effectiveness of new treatments was fully and fairly debated. I also accepted that we had the responsibility to alert purchasing authorities to any forthcoming developments, such as the publication of professional guidelines of this kind, which were likely to have significant cost implications. I said I would review with colleagues in the DH the ways in which we gathered such intelligence, and how we could best disseminate it to regions **[WITN7648048]**.

4.75 In the drafting of this letter, the DH was keen to raise more generally the issue of how it obtained advance intelligence of forthcoming professional advice and

other developments likely to lead to cost pressure on purchasing authorities, and how in turn this information was shared with the NHS. The DH was "*merely alerting the NHS to possible future developments, and in no way seeking to endorse recommendations of external professional bodies*" **[WITN7648049]**.

4.76 The question of the use of earmarked AIDS funds to pay for purified Factor VIII for haemophiliacs infected with HIV continued to be considered, and in August 1992 a reply to Mr Fletcher's letter was also drafted to be sent by the AIDS unit to all RHAs, acknowledging that the drive to use HP Factor VIII for this purpose was given a boost by the publication of the guidelines from regional haemophilia directors but that, for the reasons I had given above, a new product becoming available for NHS patients should be funded from mainstream NHS resources **[WITN7648050]**.

4.77 On 19 August 1992, the AIDS unit at DH duly sent a letter to all regional directors of public health and others, confirming that earmarked AIDS funds should not be used to cover the costs of HP Factor VIII for haemophiliacs who were HIV positive **[WITN7648048]**.

4.78 This decision was later reversed by the CMO in or around December 1993, who concluded that if treating clinicians felt the use of HP Factor VIII had benefits for HIV positive haemophilia patients in terms of HIV infection as well as haemophilia, then the price differential would be an appropriate use of earmarked AIDS funds **[WITN7648051]**, **[WITN7648052]**, **[WITN7648053]**.

4.79 After the PAC had taken evidence from DH, the NHSME and the NHS in Scotland, its report on HIV and AIDS related services was published **[WITN7648054]** and its main conclusions were as follows:

> *"(i) … We expect the [DH] to make every effort to ensure that all known cases of HIV infection and AIDS are reported to the national surveillance centre…*
>
> *(ii) We expect all health authorities and boards to provide consistent, accurate and timely data on HIV/AIDS…*
>
> *(iii) …the [DH] should devote more attention to refining their HIV statistical information…*

(iv) We note the [NHSME]'s intention to refine the allocation process to give a more sensitive distribution of money from the national to the regional level. We expect them to ensure that funds are allocated to the areas of greatest need, using data about the levels of both HIV and AIDS…

(v) …the [NHSME] are retrieving the underspends for use in subsequent years…

(vi) We look to the [NHSME to prevent HIV/AIDS monies being used for other purposes in the future. And we expect the AIDS (Control) Act reports to identify clearly where the AIDS allocations have been spent, including overhead expenditure where appropriate.

(vii) …We are…pleased that the [NHSME] intend to introduce patient and disease costing…

(viii) We recommend that the arrangements for the longer term funding and provision of HIV and AIDS services should be clarified as soon as practicable …

(ix) …all health authorities should assess the need to develop services outside the established centres…

(x) We endorse the initiatives to encourage general practitioner involvement in the care of HIV/AIDS patients…

(xi) We expect the [DH] to keep their prevention programmes under continuous review so that they can give priority to those at greatest risk, and ensure that national and local prevention campaigns are able to complement each other…

(xii) We expect health authorities to do all they can to ensure that prevention and education initiatives keep pace with the needs of young people. Action should also be taken to evaluate the impact of the prevention campaigns on behaviour as well as on raising the awareness of HIV…" **[WITN7648054]**.

Establishment of the NBA

4.80 I have addressed the organisation of the UK Blood Services from the beginning of my tenure as CE of the NHSME in paragraphs 4.32 to 4.49 above.

4.81 In July 1992, a submission was made to the PS(H) reporting the recommendations of the DH (and NHS technical working group) to consider certain operational aspects of the proposed NBA, also to consider the case for establishing the NBA as the managing authority for the BTS and RTCs.

4.82 In September 1992, the DH consulted the NHS and appropriate professional medical bodies regarding the proposal to set up the NBA, to replace the National Directorate of the BTS as well as the CBLA **[WITN7648055]**. The NHSME and RGMs met to consider various matters including the proposed establishment of the NBA as a SHA, ultimately to take over "*full responsibility for RTCS; of which RGMs were broadly supportive*" **[WITN7648056]**. I have seen a copy of the annex to the written statement of Professor Sir Kenneth Calman dated 12 October 2022 and note that the Inquiry has received evidence on this already. In particular, I note the involvement of Mr Malone-Lee, my director of operations on behalf of the NHSMB, in the extensive discussions which took place leading up to the formation of the NBA.

4.83 By October 1992 other work was underway for preparing to set up the NBA, including discussions around the salary for senior management and a suitable location for the NBA **[WITN7648057]**.

4.84 In November 1992, the DH continued to encourage the BPL to maximise the use of its domestically sourced blood products while acknowledging clinical freedom. This left our market open to imports from other EC states and beyond **[WITN7648058]**.

4.85 Following a review the DH decided to bring together responsibility for managing all parts of the NHS blood services into a single NBA. It would replace the CBLA and National Directorate of the BTS and would assume responsibilities for managing the RTCs as soon as possible. Its key objectives were:

- *to implement a cost effective national strategy for ensuring an adequate supply of blood and blood products to meet national needs;*
- *to ensure that high standards of safety and quality in the blood supply are maintained throughout the blood services;*

- *to ensure that blood products meet a consistent standard of safety and quality;*
- *to ensure the cost efficient operation of the Transfusion Centres and the Bio Products Laboratory both individually and together as parts of the national service"* **[WITN7648059]**, **[WITN7648060]**.

4.86 On 1 April 1993, the NBA was set up as a SHA to provide strategic planning and management for the blood services in England with a view to enhancing their quality and cost efficiency **[WITN7648061]**, **[WITN7648062]**, **[WITN7648063]**. In parallel, the Secretary of State for Health made the NBA Regulations 1993 **[WITN7648064]**.

4.87 Mr John Adey was the CE of the NBA, and Lawrence Banks and Dennis Allison were appointed as non-executive members **[WITN7648065]**.

4.88 By around September 1993, the BPL employed around 500 staff and obtained most of its income from selling products at market prices – this was supplemented by a top sliced allocation as market prices did not cover all its costs. BPL's sales income was just over £40 million per annum; its costs were about £24 million and plasma costs around £20 million. The cash limited in 1993-1994 was £3.5 million. There had been interest from some pharmaceutical companies in buying BPL outright or collaborating with it to some degree, but there were always sensitivities about blood, especially from donors who were alive to any hint of a commercial element being introduced to their gift of blood **[WITN7648062]**.

4.89 At that time, the UK Blood Services comprised 13 RTCs, the BPL and the international blood group reference laboratory ("IBGRL"). The NBA assumed immediate responsibility for the BPL and IBGRL. It also took over the National Directorate of the BTS which was responsible for co-ordinating the activities of the RTCs.

4.90 On 30 November 1993, I met Sir Colin Walker, Chairman, and John Adey, CE, of the NBA for an interim accountability review of the NBA to assess performance that year and consider developing a strategic plan for the BTS **[WITN7648066]**. The changes were bedding in at that time and it was felt that

a discussion on meaningful targets should be scheduled for the first annual review in May 1994.

4.91 In the "*John Adey Objectives for 1993/94*", the NBA was required to ensure "*at all times an adequate supply of the highest quality blood and blood products by the most cost-effective system possible from unremunerated donors*", creating a "*small, high quality NBA Headquarters staff*" and making "*necessary arrangements for the transfer of [RTCs]…to the NBA by 1 April 1994*" **[WITN7648067]**. These objectives had been agreed by me and Sir Colin Walker, but my tenure did not allow me to review progress and issues.

4.92 From 1 April 1994, the NBA would become responsible for managing the RTCs. At that point the BTS had just been established; the RTCs had been answerable to their own RHAs and developed their own management and costing arrangements **[WITN7648062]**. The NBA's key objectives included the "*implementation of a cost effective strategy for ensuring an adequate supply of blood and blood products to meet national needs*" **[WITN7648068]**.

Challenges raised

General comments

4.93 As a consequence of the above consultations, while I was CE certain changes were implemented to the BTS including, mainly, the establishment of the NBA, which were designed to bring about improvements in the services.

4.94 However, as BTS was totally reliant on voluntary unpaid blood donors, its need to maintain a high public profile to attract donors necessarily meant that failures of the BTS in management, supply or efficiency were widely exposed and reported **[NHBT0001781]**.

HIV Litigation

4.95 In September 1990, the RGMs met to consider the status of the three sets of litigation/potential litigation facing RHAs **[WITN7648069]**. In or around February 1991, the government accepted responsibility for the plaintiff's costs and also for plaintiffs to be indemnified against costs being awarded against them in the HIV/haemophiliac litigation which included the North West Thames RHA being sued in respect of cases brought by individuals in respect of their treatment but

also in respect of their managing the BPL between 1978-1982 on behalf of the DH. The DH had apparently agreed to indemnify the RHA against the costs incurred in defending this aspect of its case **[WITN7648070]**. I responded that the lead RGM on the litigation had been discussing costs with the DH and would be putting proposals forward soon, but that I understood RHAs would be expected to bear the costs and that discussions were around a possible contribution **[WITN7648071]**.

Resistance to the NBA

4.96 Certain structural and/or operational changes were also challenged, including by Sir William Doughty, Chairman of North West Thames RHA. He wrote by letter dated 24 October 1991 to Sir Colin Walker, Chairman of East Anglian RHA further to a meeting of regional chairmen, to summarise his concerns around the NBA. I was copied to that correspondence. He expressed concerns about incurring costs without any benefits, timing, and compromising the work of the BTS. He noted that "*BPL faces problems that to some extent result from the refusal of the [DH] to enforce "self sufficiency"…*" and the pace with which the proposal was being handled **[DHSC0004743_034]**. He said that the regional directors of public health were due to discuss this issue at their meeting on 31 October 1991. The minutes of that meeting are at **[WITN7648072]**. I was not present, but it does not seem from the minutes as though the proposal for an NBA was discussed.

4.97 On 30 October 1991, the concept of the NBA was also rejected by the regional directors of public health **[WITN7648073]**.

4.98 The decision to establish the NBA was made following a consultation process which demonstrated opposition particularly among RTC directors, regional directors of public health and regional chairmen. The main concerns were that the NBA should not replace the RTC as the contractor for the supply of blood to hospitals, capital should remain a regional responsibility, donor confidence might be eroded and implementation was too speedy.

4.99 In November 1991, it was suggested that Dr H.H. Gunson had "*clearly under-estimated the extent of opposition amount RTC Directors…to the detail of the*

proposals" **[WITN7648074]**. The outcome of a consultation in respect of the proposed NBA identified "*a number of issues of substance and tactics*" **[WITN7648075] [WITN7648076]**. Given this response, ministerial agreement was sought to delay the original proposals and to set up a working group to review the detailed mechanisms, while retaining the concept of an influential NBA.

Workload within ACET

4.100 In June 1991, 'ACET' (AIDS care education and training), the country's then largest independent provider of professionally based home care to individuals with HIV/AIDS, raised concerns surrounding their workload and noting that the NHS reforms were "*creating major unexpected difficulties for the voluntary sector*" **[WITN7648077]**. This was drawn to Virginia Bottomley MP's attention, then Minister of State, and I was copied **[WITN7648078]**. The letter was forwarded to a number of MPs, who themselves also wrote to the DH asking for a response. My office acknowledged the correspondence **[WITN7648079]** and responded substantively in July 1991 **[WITN7648080]**. Ms Bottomley (and other MPs, including Marion Roe and Nigel Griffiths) also responded in similar terms, noting the importance of the role played by the voluntary sector in HIV/AIDS provision and that it was for that reason the DH had made £1.9 million available to non-statutory agencies in that field in 1991-1992. She noted that the main aim of the reforms was for DHAs to be responsible for assessing the health needs of their residents and purchasing local services to meet those needs. In 1991-1992, £137.3 million was allocated to health authorities as a contribution to the cost of providing services to those with HIV and AIDS **[WITN7648081]**.

Use of earmarked AIDS funds

4.101 In December 1991, in connection with the question of the use of earmarked AIDS funds to pay for purified Factor VIII for haemophiliacs infected with HIV as mentioned in paragraphs 4.52.10 to 4.52.27 above, The Times published an article titled "*NHS chief rebuked for Aids cash abuse*" referring to my examination by the PAC and noting that no disciplinary action was taken against North West Thames and West Midlands RHAs for not spending all of their AIDS

budgets to treat and prevent the spread of the disease **[WITN7648082]**, **[WITN7648083]**.

4.102 On 6 October 1992, The Times published a further article titled "*Whitehall ruling hits HIV patients*" and David Watters, General Secretary at the haemophilia society referred it to Sir John Hannam MP for comment, who in turn referred it to The Hon. Thomas Sackville MP **[WITN7648084]**. Similarly in November 1992, an article was published in The Bulletin that the DH's decision on HP Factor VIII "*shortens lives*" **[WITN7648085]**. Mr Sackville's response clarified that the DH was "*not in any way advocating the denial of treatment to haemophiliacs with HIV infection, as has been implied*" **[WITN7648086]**. He confirmed that they expected regions to finance the introduction of HP Factor VIII from the growth money for the health service secured within the public expenditure process, and that regions were best placed to make decisions on how fast any medical advance should be introduced. He noted that the DH would not get involved in detailed decisions on the application of resources for individual treatment; this could only be done by some central funding initiative funded by top-slicing RHAs' allocations, and earmarking money in this way was considered inappropriate. He reiterated that resources set aside for the development of HIV/AIDS services should not be used to fund HP Factor VIII **[WITN7648086]**. As noted above, this decision was later reversed by the CMO in or around December 1993 **[WITN7648051]**.

Other reforms

4.103 In my view, the two most important reforms which I was directly involved in were the "*Patient's Charter*" (the "Charter") and "*Health of the Nation*".

4.104 My lawyers have also managed to find other documents which relate to reforms in the context of blood services which arose (albeit may not have been fully implemented) during my tenure and, for completeness, I refer to them below to the best of my knowledge and understanding. Some I recall I was involved in (such as the scheme for settling the HIV compensation claims), but others I was aware of but cannot recall any involvement in.

Patient's Charter

4.105 On 30 October 1991, I wrote to all RGMs seeking their co-operation in implementing the Charter from April 1992 **[DHSC0006463_098]**.

4.106 A copy of the NHS's guidelines on "*The Patient's Charter: monitoring and publishing information on performance*" can be found at **[WITN7648087].** In short, the purpose of the Charter was to give the public a right to detailed information on local health services in an accessible and meaningful form.

4.107 RHAs were expected to:

4.107.1 Ensure effective monitoring by purchasers;

4.107.2 Report regularly to the NHSME on their region's performance;

4.107.3 Ensure that purchasers published relevant information; and

4.107.4 Ensure that purchasers published annual reports on the performance of their principal providers.

4.108 **[WITN7648087]** DHAs were required to:

4.108.1 Monitor providers' performance and take action where that performance was poor;

4.108.2 Provide RHAs on a quarterly basis with information on specified key standard, on individual provider units on an exception basis and with examples of good practice; and

4.108.3 Publish annual reports on principal providers' performance.

4.109 **[WITN7648087]** At the time, my views on these reforms were released in a press statement **[WITN7648088]**. These views remain unchanged.

4.110 The Charter gave patients a right to information on local health services. Health authorities made this information available to patients in many ways, including through local charters, the local media, leaflets, posters and public meetings. All DHAs also published annual reports on performance against the Charter standards. Providers were also required to display details of performance. In addition, in January 1993 a national freephone service was introduced which provided callers with information about local NHS services, Charter standards,

common diseases, waiting times, how to complain about the NHS, as well as health advice.

4.111 NHS reforms provided a framework to even out disparities in access to treatment up and down the country; the DH increased the 1991-1992 waiting time fund by £2 million to £37 million, and appointed a district general manager to tackle the longest waiting lists. The publication of guidance on cutting waiting lists was delayed because the DH wanted it to coincide with the publication of complementary Royal College of Surgeons guidelines. Those were published in July 1991, but advance copies of the DH's guidance were sent to RHAs in March 1991 **[WITN7648042]**.

4.112 The DH increased the waiting time fund by a further £2 million bringing the total in 1991-1992 to £39 million. That was made available in 1992-1993. A proportion of which was allocated to new and innovative schemes tackling waiting list problems including the implementation of the Bevan report. The DH also instructed RHAs to ensure that systems were in place to continuously validate waiting lists **[WITN7648042]**.

4.113 While the scope of the Charter was expanded in autumn 1994, to the extent that it was implemented while I was CE, it was successful because of the new waiting time guarantee, introduction of the Primary Care initiative and the strengthening of the national standards addressing cancelled operations.

4.114 On 12 November 1992, I wrote to all RGMs regarding public expenditure on health, including in relation to the Charter, "*Caring for People*", and the "*Health of the Nation*" white paper, noting that we would get regional allocations out in December 1992 after final decision on central budgets had been made **[RHAL0000964_016]**.

4.115 On occasion, such as in December 1993, I had to deal with one-off complaints such as one regarding the treatment of patients who were Jehovah's witnesses at the obstetric and gynaecology department in St Thomas' Hospital, in alleged breach of the policy of the Charter **[WITN7648089]**, **[WITN7648090]**.

Health of the Nation

4.116 In October 1991, discussions were underway to develop the key areas and targets for the *Health of the Nation* reforms **[WITN7648091]**.

4.117 In June 1992, a meeting was held to discuss taking forward the white paper commitment to produce handbooks of guidance in each of the key areas for the NHS. I requested that the handbooks for all the key areas be produced within the same timescale, with a target date of end of December 1992 **[WITN7648092]**.

4.118 HIV/AIDS was highlighted as a key target area, following suggestions including from the National AIDS Trust **[WITN7648093]**.

4.119 The white paper, *Health of the Nation*, was published in July 1992 and progress reports were required at three-monthly intervals. The second report on progress was published in January 1993 including updates on the organisational structure (the Cabinet Committee) through to general issues such as monitoring and research, to specific activity in each key area **[DHSC0020729_021]**, **[WITN7648094]**.

4.120 In October/November 1992, the focus group report on HIV/AIDS and sexual health was approved by the NHSME, submitted to ministers for approval, then published **[WITN7648095]**, **[WITN7648096]**, **[WITN7648097]**, **[WITN7648098]**, **[WITN7648099]**.

4.121 In February 1993, my "*Health of the Nation*" working group considered the regional implementation plans for 1993-1994 and essential features of those plans **[WITN7648100]**.

Regulating Information Requirements

4.122 In 1988 with, the agreement of the then policy board, NHSMB and RGMs, a committee for regulating information requirements ("CRIR") was established **[WITN7648101]**, **[WITN7648102]**.

4.123 I had no direct knowledge or involvement in CRIR, but after I had identified information quality as a top management issue for the NHS, in January 1994

the DH and NHS re-confirmed their commitment to the joint DH/NHS CRIR **[WITN7648103]**.

EC Activities affecting the DH

4.124 On 4 June 1991, the EC Council of Ministers adopted a ten-point plan of action within the framework of the 1991-1993 "*Europe against AIDS*" programme. The objectives were to prevent the spread of HIV by providing information on risk factors, minimise discrimination of people with HIV and monitor attitudes to AIDS in the EC. The DH represented the UK on a committee which advised the commission on the implementation of the programme **[WITN7648104],** but I was not involved in this.

4.125 Further, the EC sought to harmonise the licensing provisions for blood products, which came into force on 1 January 1993. It also encouraged moves towards self-sufficiency, the use of voluntary unpaid donors and the safety of blood supply **[WITN7648104]**.

Strategies for reaching people from ethnic minority communities, migrants and travellers

4.126 In June 1991, a report was published by the AIDS unit regarding strategies for reaching people from the UK's ethnic minority communities, primarily people of Afro Caribbean and Indian sub-continent origin, and those travelling abroad for example on work or holiday, with HIV/AIDS education and prevention initiatives **[WITN7648105]**.

Routine testing of blood

4.127 I have been reminded that testing of blood donations for HCV was introduced with effect from 1 September 1991, but I understand that the Inquiry has already received extensive evidence on this issue.

Use of Crown provision

4.128 In February 1992, following difficulties experience by the NHS in the purchasing of HCV test kits, there was a possibility that the supplies authorities would need to make use of crown use provision to obtain supplies. PSH(S) asked that a submission be prepared setting out the circumstances and procedures

government agencies should follow before seeking ministers' agreement to crown use provision **[WITN7648106]**.

Scheme for settling HIV compensation claims

4.129 In March 1991, a private meeting of RHA chairmen was held to consider, amongst other matters, the NHS's potential liability in respect of infected blood products and it was determined that what was needed was an accurate database of the potential actual costs of the claims (a start to which had been made by the MRHA) and an agreed way to deal with the claims as they arose **[WITN7648107]**.

4.130 Also in February 1992, a scheme was put to the Secretary of State to arrange for assessing and paying claims for the blood transfusion and tissue recipients infected with HIV **[WITN7648108]**. This was ultimately approved by the Secretary of State **[WITN7648109]**.

Guidance on HIV testing

4.131 New guidelines on testing people for HIV and for informing their partners were announced in December 1992 by Virginia Bottomley, Secretary of State for Health **[WITN7648110]**.

Secretary of State's Quality Initiative

4.132 In January 1993, as part of the Secretary of State's Quality Initiative, a compendium was produced containing examples of good practice in the NHS and a series of booklets on patients' perceptions of what constituted a good service. The booklets were aimed at purchasers so that they know the key questions to ask when specifying the services they wanted to provide **[WITN7648111]**. With respect to haemophilia, 11 questions for purchasers were drafted **[WITN7648112]**.

Good Practice and Innovation in Contracting

4.133 In 1993, the NHSME initiated a review of contracting for specialised services – looking at funding arrangements for these types of services (which included haemophilia services) and alternative means of funding/contracting for them **[WITN7648113]**. A document called "*Good Practise and Innovation in*

Contracting" was to be published, it is said, containing examples of contracting models which had been developed by RHAs for the purchasing of specialised services, but I have not been supplied with a copy of this document.

The NAZ Project

4.134 A conference report recommended, amongst other matters, that a European network for Muslims and South Asian communities be established, and that there should be a conference in 1993 to continue the work initiated in 1992. The DH was able to provide some funding for that conference and applications for funding projects in the UK were to be considered **[WITN7648114]**.

5 Other matters

5.1 While I have no further comments to make on the matters raised in the Inquiry's Terms of Reference, I would just like to take this opportunity to say that I have tried my best to assist the Inquiry as far as I can and answer questions to the best of my knowledge and belief with the assistance of the legal team which has placed the documents before me. Given the passage of time, it has been difficult to recollect some matters, but I hope that my statement will be of assistance.

Statement of Truth

I believe that the facts stated in this witness statement are true.

Signed GRO-C .....

Dated 28/02/2023 .....

Exhibit Table

Date	Exhibit number	Description
26/02/1990	WITN7648002	Minute from Ronnit Fuxbruner to Melanie Smith dated 26 February 1990 regarding NHS Review Implementation Handbook for Project Managers
Undated	WITN7648003	NHS Review Working Paper (2) regarding funding and contracts for hospital services
Undated	WITN7648004	NHS Review Working Paper (3) regarding practice budgets for general medical practitioners
Undated	WITN7648005	NHS Review Working Paper (4) regarding indicative prescribing budgets for general medical practitioners
Undated	WITN7648006	NHS Review Working Paper (5) regarding capital charges
Undated	WITN7648007	NHS Review Working Paper (6) regarding medical audit
Undated	WITN7648008	NHS Review Working Paper (7) regarding NHS consultants – appointments, contracts and distinction awards
Undated	WITN7648009	NHS Review Working Paper (8) regarding implications for family practitioner committees
05/03/1982	DHSC0002215_048	Letter from Mersey Regional Health Authority to J Rodgers dated 5 March 1982 regarding Supply of plasma to the Blood Products Laboratory
11/10/1984	DHSC0002247_073	Letter from Duncan Nichol to J A Parker dated 11 October 1984 regarding the Supply of plasma to the Blood Products Laboratory

19/12/1984	DHSC0002253_033	Letter from Duncan Nichol to M A Harris dated 19 December 1984 regarding the Supply of plasma to the Blood Products Laboratory
19/12/1984	DHSC0003997_095	Minute from Duncan Nichol to M A Harris 19 December 1984 regarding the Supply of plasma to the Blood Products Laboratory
21/07/1981	DHSC0004176_015	Letter from Freda M Roberts to Mr S Godfrey dated 21 July 1981 regarding FVII supplies
October 1988	WITN7648010	Mersey Regional Health Authority Regional Report 1987/1988
05/03/1985	DHSC0003997_083	Letter from M A Harris to Duncan Nichol dated 5 March 1985 regarding the Supply of plasma to the blood products laboratory
18/12/1981	WITN7648011	Letter from J F Shaw to Peter Cooke dated 18 December 1981 regarding Supply of Plasma to the Blood Products Laboratory, enclosing Annex on Fresh Frozen Plasma Targets
December 1990	WITN7648012	Report dated December 1990 regarding "General surgical workload and the provider/purchaser contract" by the Royal College of Surgeons of England
09/09/1992	WITN7648013	Letter from Duncan Nichol to Regional General Managers dated 9 September 1992 regarding the Standards of Management and Conduct
08/11/1990	WITN7648014	Letter from Duncan Nichol to Regional General Managers dated 8 November 1990 regarding Public Expenditure on Health

March 1993	WITN7648015	Letter from J Rutherford to Dr Rejman dated March 1993 regarding the NBTS supplying blood for both NHS and private hospitals within the supply
Undated	WITN7648016	Report regarding the Management Arrangements for Regional Transfusion Services
February 1991	WITN7648017	Journal by the NHS Management Executive regarding 'Andrew Foster – the New Deputy Chief Executive'
09/06/1993	DHSC0020725_116	Press release titled "Guidance for NHS staff on relations with the public and the media published", dated 9 June 1993
08/06/1993	WITN7648018	Guidance dated 8 June 1993 regarding 'Guidance of staff on relations with the public and the media'
22/03/1989	NHBT0118859_007	Letter from Duncan Nichol to Regional General Managers, District General Managers and General Managers of the Special Health Authorities for the London Postgraduate Teaching Hospitals dated 22 March 1989 regarding Working for patients – delegating responsibilities in regions and districts
Undated	WITN7648019	Annex regarding Delegate responsibilities and White Paper on 'Working for Patients'
14/12/1989	DHSC0032153_226	Letter from Duncan Nichol to Regional General Managers dated 14 December 1989 regarding NHS review costs
February 1990	WITN7648020	Report regarding Short Term Programme 1990/91, referencing planned developments regarding District Health Authorities, including services for AIDS and HIV infection and for drug misusers and financial resources

29/01/1991	WITN7648021	Letter from Duncan Nichol to Alasdair Liddell dated 29 January 1991 regarding Region's annual review on 29 November
02/12/1992	WITN7648022	Minute of a meeting held on 2 December 1992 regarding NHS Management Executive - Chief Executive Review Meeting (Southeast Thames Regional Health Authority)
07/12/1992	WITN7648023	Minute of a meeting held on 7 December 1992 regarding Chief Executive Review, East Anglian Regional Health Authority
22/12/1992	WITN7648024	Letter from Duncan Nichol to Alasdair Liddell dated 22 December 1992 regarding the expansion of GP fundholding and NHS
20/03/1991	NHBT0001781	Letter from Dr R J Moore to Mr Shaw Edwards dated 20 March 1991 regarding the National Blood Transfusion Service, enclosing brief for Ernst Young
03/04/1991	NHBT0001777	Letter from Helen Gunson to all Regional Transfusion Directors dated 3 April 1991 regarding Future Management arrangements for the NBTS
20/06/1991	NHBT0002194	Letter from Helen Gunson to Mike Malone-Lee dated 20 June 1991 regarding the National Directorate for the future management of the NBTS
24/06/1992	WITN7648025	Letter from R Whitlam to Tom Sackville dated 24 June 1992 regarding Northwest Regional Health Authority invitation to British Red Cross on blood transfusion service
26/11/1992	WITN7648026	Letter from Bernard Taylor to Tom Sackville dated 26 November 1992 regarding Options on an association between BPL and Medeva

21/09/1993	WITN7648027	Cover Page for Briefing to Sir Duncan Nichol dated 21 September 1993 regarding a meeting with Paul Rogers of Brian and Company Management Consultants
29/11/1993	WITN7648028	Letter from Tom Sackville to Gwilym Jones dated 29 November 1993 regarding Welsh Blood Transfusion Centre
09/09/1993	WITN7648029	Minute from J Rutherford to Mr Scofield and Mr Naysmith dated 9 September 1993 regarding NBA - Sir Duncan Nichol's meeting with Paul Rogers of Bain & Company
December 1990	NHBT0002310	Report regarding the Review of Future Strategy and Options for the Central Blood Laboratory Authority and its constituent bodies
January 1991	NHBT0000478	Paper by Helen Gunson and R J Moore on "A proposal for management of the blood transfusion service in England and Wales"
16/10/1991	WITN7648030	Report by the National Audit Office dated 16 October 1991 regarding HIV and AIDS related Health services
23/10/1991	WITN7648031	Minute from J A Thompson to Ms Wright and Mr Greenshields dated 23 October 1991 regarding NAO report on HIV and AIDS related health services
04/10/1991	WITN7648032	Minute from Jeremy Mean to Mr Davey dated 4 October 1991 regarding HIV and AIDS related health services
17/06/1991	WITN7648033	Minute from M E Lally to Mrs Firth dated 17 June 1991 regarding NAO report on AIDS

09/12/1991	DHSC0032138_003	Committee of Public Accounts meeting minutes dated 9 December 1991 regarding a report by the comptroller and auditor general, HC658, HIV and AIDS related health services.
09/12/1991	DHSC0044614_018	Committee of Public Accounts Minutes of Evidence dated 9 December 1991 regarding a report by the comptroller and auditor general, HC 658, HIV and AIDS related health services, Memorandum submitted by the Scottish Office
28/11/1991	WITN7648034	Minute from Miss I Wears to Ms K Wright and Mrs S White dated 28 November 1991 regarding PAC Hearing on HIV and AIDS Related Health Services
09/12/1991	WITN7648035	Report regarding HIV and AIDS Related Health Services: PAC Hearing on 9 December 1991
23/12/1991	WITN7648036	Minute from M E Lally to Miss Wears dated 23 December 1991 regarding PAC Hearing on AIDS
Undated	DHSC0002537_051	Supplementary evidence submitted by Duncan Nichol regarding HIV and AIDS related health service evidence for the committee of public accounts
02/01/1992	WITN7648037	Minute from Vine Rodriguez to Mr Lally and Miss Wears dated 2 January 1992 regarding PAC Hearing on AIDS
22/05/1991	WITN7648038	Letter from Christopher France to John Bourn dated 22 May 1991 regarding VFM Programmes in the health care field and NAO studies
20/05/1991	WITN7648039	Minute from J M Firth to Mr Waterhouse and Mr Taylor dated 20 May 1991 regarding NAO Report on AIDS – Accounting Officer responsibility

09/01/1992	WITN7648040	Minute from Strachen Heppell to Ms S White dated 9 January 1992 regarding PAC Hearing on AIDS
20/07/1992	WITN7648041	Minute from J C Dobson to Ms White dated 20 July 1992 regarding Expenditure on AIDS services
17/09/1992	WITN7648042	Report dated 17 September 1992 regarding National Health Services supplies in England (42nd Report 1990-91; Department of Health)
29/05/1992	WITN7648043	Minute from Alan Davey to Mr Tyrell and Mrs White dated 29 May 1992 regarding PAC Report: HIV and AIDS Related Health Services - Draft Response
18/06/1992	WITN7648044	Minute from Vince Rodriguez to Mr Tyrrell and Mrs Burnett dated 18 June 1992 regarding PAC Report – HIV and AIDS related health services - response
23/09/1992	WITN7648045	Minute from Linda Johnson-Laird to Mrs Maderson and Ms O'Brien dated 23 September 1992 regarding Regional Review – West Midlands HIV/AIDS Pre meeting agenda
05/02/1993	WITN7648046	Minute from William Urry to Ms Copeland dated 5 February 1993 regarding Expenditure on AIDS services
15/05/1992	WITN7648047	Letter from Stuart Fletcher to Duncan Nichol dated 15 May 1992 regarding Financial Implications of the Introduction of High Purity Factor VIII in the Treatment of Haemophiliacs
19/08/1992	WITN7648048	Letter from Dr Gwyneth Lewis to all Regional Directors of Public Health, Regional HIV/AIDS coordinators, Regional Consultants in Communicable Disease Medicine, and Regional Haemophilia Centre Directors dated 19 August

		1992 regarding High Purity Factor VIII – use of earmarked funds
23/06/2022	WITN7648049	Bundle of correspondence between J C Dobson, Dr Rejman, Duncan Nichol and Mr Canavan dated 23 June 2022 regarding High Purity Factor VIII – RGM West Midlands
06/08/1992	WITN7648050	Minute from Linda Johnson-Laird to Dr Lewin dated 6 August 1992 regarding High Purity Factor VIII – Use of earmarked AIDS funds
Undated	WITN7648051	Letter from Tom Sackville to Patrick McNair Wilson regarding reassessment of Factor VIII funding for HIV haemophiliacs from AIDS funds, enclosing a letter from E Dixon to Mr Wilson
Undated	WITN7648052	Letter form John Major to John Hannam regarding Resources set aside for the development of HIV/AIDS services
19/01/1993	WITN7648053	Letter from Tom Sackville to Patrick McNair-Wilson dated 19 January 1993 regarding the situation involving the funding of high factor VIII for HIV positive haemophilia patients
Undated	WITN7648054	Report regarding Committee of Public accounts - Eighteenth report - HIV and AIDS health related services (1991-92)
24/07/1992	WITN7648055	Minute from Roger Scofield to PS/PH(H) dated 24 July 1992 regarding National Blood Authority
10/09/1992	WITN7648056	Memo dated 10 September 1992 regarding Management and Policy – action notes of the ME/RGM's business meeting held on 10 September 1992

26/10/1992	WITN7648057	Minute from J Canavan to Mrs Verlander dated 26 October 1992 regarding National Blood Authority
25/11/1992	WITN7648058	Letter from Tom Sackville to D G Watters dated 25 November 1992 regarding Professor Van Aken's report and effects on move towards self-sufficiency in blood products in the European Community
27/11/1992	WITN7648059	Written Answer to Parliamentary Question dated 27 November 1992 regarding the future on management structure for the NHS Blood Services and key objectives of the NBA including maintaining and promoting blood and blood product supply
21/10/1992	WITN7648060	Draft Press Release dated 21 October 1992 regarding National Management Structure for the NHS Blood Services
08/03/1994	WITN7648061	Minute dated 8 March 1994 regarding Statutory Instruments - National Health Service, National Blood Authority (Establishment and Constitution) Order 1993 (No.585)
Undated	WITN7648062	Briefing for Sir Duncan Nichol's meeting with Paul Rogers of Bain & Company
26/10/1992	WITN7648063	Annex B regarding Draft Press release on National Management Structure for the NHS Blood Services
09/03/1993	WITN7648064	Statutory Instruments (No. 586) dated 9 March 1993 regarding National Health Service and National Blood Authority Regulations 1993
11/03/1993	WITN7648065	Extract from Hansard dated 11 March 1993 regarding National Blood Authority
18/11/1993	WITN7648066	Minute from John Shaw to Robin Naysmith dated 18 November 1993 regarding National Blood

		Authority: Interim Accountability review meeting 30 November
Undated	WITN7648067	Memo regarding NBA - John Adey Objectives for 1993/94
Undated	WITN7648068	Letter from Tom Sackville to Gordon Howe regarding plasma supply and targeting reductions at plasmapheresis
11/09/1990	WITN7648069	Minute from David Blythe to Regional General Managers dated 11 September 1990 regarding RGM's private meeting 13 September
30/04/1991	WITN7648070	Letter from Duncan Nichol to Messers, Davies Arnold and Cooper dated 30 April 1991 regarding HIV Haemophilia litigation – stored sera
07/02/1991	WITN7648071	Minute from J Canavan to Miss A Burnett dated 7 February 1991 regarding HIV Haemophilia Litigation - Northwest Thames RHA Costs
24/10/1991	DHSC0004743_034	Letter from William Doughty to Colin Walker dated 24 October 1991 regarding Proposals for A National Blood Authority
31/10/1991	WITN7648072	Minute of a meeting held on 31 October 1991 between Department of Health and Regional Directors of Public Health at the Royal College of Physicians
30/10/1991	WITN7648073	Letter from Michael Harrison to J Canavan dated 30 October 1991 regarding Proposals to establish a National Blood Authority
08/11/1991	WITN7648074	Minute from J C Dobson to Mr Malone-Lee dated 8 November 1991 regarding Proposed National Blood Authority

08/11/1991	WITN7648075	Minute dated 8 November 1991 regarding National Blood Authority: Outcome of Consultation Exercise
08/11/1991	WITN7648076	Minute dated 8 November 1991 regarding NBA - Response to the consultation document
24/06/1991	WITN7648077	Letter from Dr Patrick Dixon to Mr Ashley dated 24 June 1991 regarding NHS reforms in danger of wiping out AIDS voluntary sector - AIDS Care Education and Training (ACET) Homecare example
15/07/1991	WITN7648078	Letter from Bill Michie to Virginia Bottomley dated 15 July 1991 regarding a letter from Dr Patrick Dixon and home nursing service to HIV/AIDS patients
12/07/1991	WITN7648079	Letter from S L Green to Dr Kim Howells dated 12 July 1991 regarding Dr Patrick Dixon ACET
17/07/1991	WITN7648080	Letter from Duncan Nichol to Nigel Griffiths dated 17 July 1991 regarding Dr Patrick Dixon and voluntary sector AIDS/HIV provision
25/07/1991	WITN7648081	Letter from Virginia Bottomley to Matthew Taylor dated 25 July 1991 regarding Correspondence from Dr Patrick Dixon
10/12/1991	WITN7648082	Minute to Duncan Nichol dated 10 December 1991 regarding PAC – AIDS
06/12/1991	WITN7648083	Newspaper article dated 6 December 1991 regarding MPs attack NHS over Aids money
13/10/1992	WITN7648084	Letter from Tom Sackville to John Hannan date 13 October 1992 regarding David Watters - The Haemophilia Society, enclosing a letter from the Haemophilia Society

16/12/1992	WITN7648085	Minute from Mrs M T Gibson to Ms Johnson-Laird dated 16 December 1992 regarding Sir Patrick McNair Wilson MP
Undated	WITN7648086	Letter from Tom Sackville to John Hannan regarding Funding for high purity factor VIII for the treatment of HIV infected haemophiliacs.
30/10/1991	DHSC0006463_098	Letter from Duncan Nichol to Regional General Managers, district General Managers, FHSA General Managers, SHA General Managers, Unit General Managers and NHS Trust chief Executives dated 30 October 1991 regarding Patient's charter
20/08/1992	WITN7648087	Health Service Guidelines dated 20 August 1992 regarding 'The Patient's Charter: monitoring and publishing information on performance'
30/10/1991	WITN7648088	Press Release by the Department of Health dated 30 October 1991 regarding 'New Charter spells out rights of patients under NHS'
12/11/1992	RHAL0000964_016	Letter from Duncan Nichol to Regional General Managers, District General Managers, FHSA General Managers, SHA General Managers and NHS Trust Chief Executives dated 12 November 1992 regarding Public Expenditure on Health
07/12/1993	WITN7648089	Letter from J W A Brace to Sir Duncan Nichol dated 7 December 1993 regarding patient's carter policy violations, a request for an investigation into the situation, comments on the patient's legal position
15/12/1993	WITN7648090	Letter from Sir Duncan Nichol to J W A Brace dated 15 December 1993 regarding treatment of Jehovah's witnesses in Obstetrics and Gynaecology departments

14/10/1991	WITN7648091	Minute from J C Middleton to DH members of CMO and CE working groups dated 14 October 1991 regarding "Health of the Nation" - Key Areas and Targets
16/06/1992	WITN7648092	Minute from Dr Walford to Dr Rubery, Dr Reed, and others dated 16 June 1992 regarding Health of the Nation Implementation – Key area handbooks
28/10/1991	WITN7648093	Letter from Margaret Jay to John Thompson dated 28 October 1991 regarding HIV and AIDS and The Health of the Nation
January 1993	DHSC0020729_021	Paper dated January 1993 on “Health of the Nation”
January 1993	WITN7648094	Report dated January 1993 regarding Health of the Nation - A summary of progress, July to December 1992
21/10/1992	WITN7648095	Letter from Margaret Guy to colleagues dated 21 October 1992 regarding Final Draft report of Focus Group on HIV/AIDS and Sexual Health – Health of the Nation
10/11/1992	WITN7648096	Minute from Jackie Tripple to Dr Exon, Dr Lader, Dr Williams and others dated 10 November 1992 regarding Health of the Nation: Focus Group Reports
21/10/1992	WITN7648097	Draft Memo regarding Health of the Nation – focus group reports
05/11/1992	WITN7648098	Draft Minute to all Regional General Managers regarding Health of the Nation - First Steps for the NHS
16/10/1992	WITN7648099	Report regarding Health of the Nation – First steps for the NHS

18/02/1993	WITN7648100	Minute dated 18 February 1993 regarding Chief Executive's Health of the Nation Working Group Health of the Nation Regional Implementation Plans
08/10/1993	WITN7648101	Report dated 8 October 1993 regarding Review of the Committee for Regulating Information Requirements
Undated	WITN7648102	Annex regarding Review of the Committee for Regulating Information Requirements (CRIR) – Summary of Main recommendations
20/01/1994	WITN7648103	Letter from I G Nicholls to All Grade 5-7 dated 20 January 1994 regarding information quality as a top management issue
08/12/1992	WITN7648104	Briefing dated 8 December 1992 regarding EC Activities Affecting the Department of Health
June 1991	WITN7648105	Report dated June 1991 regarding Strategies for reaching people from ethnic minority communities
26/02/1992	WITN7648106	Minute from Richard Armstrong to Mr Hunt dated 26 February 1992 regarding Use of Crown Use Provision
19/03/1991	WITN7648107	Agenda for meeting to be held on 19 March 1991 regarding Regional Health Authority Chairmen
02/03/1992	WITN7648108	Minute from C A Phillips to Roger Scofield dated 2 March 1992 regarding HIV infected blood transfusion and tissue recipients
02/03/1992	WITN7648109	Minute from C A Phillips to Roger Scofield dated 2 March 1992 regarding HIV infected blood transfusion and tissue recipients

16/12/1992	WITN7648110	Press release dated 16 December 1992 regarding New Guidance on HIV Testing and Partner Notification announced by Virginia Bottomley.
29/01/1993	WITN7648111	Minute from Kate James to Ms Copeland dated 29 January 1993 regarding Secretary of State's Quality Initiative.
29/01/1993	WITN7648112	Draft Minute regarding Section 4 – Haemophilia – Questions for purchasers
10/03/1993	WITN7648113	Letter from Tom Sackville to Neville Trotter dated 10 March 1993 regarding a press release from the Haemophilia Society about the future of the St Thomas Hospital Haemophilia Centre
Undated	WITN7648114	Report regarding NAZ Project: Question and Answer Briefing

List of Abbreviations

BPL	Blood Products Laboratory
BTS	Blood Transfusion Service
CBLA	Central Blood Laboratories Authority
CE	Chief Executive
CMO	Chief Medical Officer
CRIR	Committee for regulating information requirements
DH	Department of Health
DHA	District Health Authority
DHSS	Department of Health and Social Security
EY	Ernst Young
HCV	Hepatitis B or Hepatitis C virus
HIV	Human Immunodeficiency Virus
HP	High purity [Factor VIII]
HTLV	Heat treatment Factor VIII

IBGRL	International blood group reference laboratory
MRHA	Mersey Regional Health Authority
MRTC	Mersey Regional Transfusion Centre
NAO	National Audit Office
NBA	National Blood Authority
NHS	National Health Service
NHSMB	NHS Management Board
NHSME	NHS Management Executive
PAC	Public Accounts Committee
RGM	Regional General Manager
RHA	Regional Health Authorities
RMO	Regional Medical Officer
RTC	Regional Transfusion Centre
SHA	Special Health Authority