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Mr Orton SC2

From : K J Guinness CA OPU
Date : 15 November 1996

Copy : Ms Corrigan CA OPU2
Ms Towner CA OPU2
Mr Bassett CA OPU1
Ms Jones CA OPU3
Mr Dudley SC2

SECTION 64 : BID FOR INCREASED ALLOCATION FOR CA OPU

1. Your minute of 11 November set out likely allocations for section 64 grants for 1997/98 assuming that the overall size of the settlement and the basis of allocation between divisions would be in line with this year's.
2. Ann Towner copied to Mr Dudley her minute of 31 October to Simon Jones seeking agreement to the Haemophilia Society's bid for a core grant of £140,000 for 1997/98, in addition to their project grant bid of £60,000. (Finance's response is awaited.) She included a warning that CA OPU would be unable to meet these bids within its normal grant allocation. This minute formally seeks an increase in that allocation, for 1997/98.
3. If the proposed grants to the Haemophilia Society were agreed, as we recommend, CA OPUs requirements for Section 64 grants for 1997/98 would be as follows :

	£000
Haemophilia Society- core grant	140
- project grant	60
Macfarlane Trust - core grant	177
Eileen Trust - core grant	22.5
Council for Music in Hospitals	25
Arts for Health	<u>25</u>
Total	<u>449.5</u>
Proposed allocation (min of 11/11)	400
Shortfall	<u>49.5</u>

Other than the Haemophilia Society's, all these grants are already committed (subject to the usual conditions) as part of 3 year grants agreed in previous years, so there is no scope for reducing them to offset the increased bid from the Haemophilia Society.

4. The background to our wanting to meet the Haemophilia Society's increased bid this year is as follows. The current core grant is for work with haemophiliacs infected with HIV through blood or blood products. The 1997/98 bid includes additionally those infected with hepatitis C in this way. Unlike with those with HIV, the Government has refused requests for one off payments or other direct financial help for this group. The section 64 grant given to the Haemophilia Society is consistently cited publicly as evidence that they are never the less doing what they can to help.

5. The Society's total section 64 funding requirement is exceptionally high for 1997/98 as it includes new work with those infected with Hepatitis C, as needs have already been identified, while the hepatitis project work is still running (for its last year). When pointing out last year that the project grant had to be wound up, we suggested that the Society might include the costs of any ongoing work with that client group in their bids for future core grant funding. Mr Horam's letter to the Society of 1 October, turning down their request for no fault compensation, said he said that he would look sympathetically at any request for

increases in the Society's grant funding to help this group.

6. It would be particularly difficult presentationally to pay less than the Society have applied for this year, when Ministers have made this public commitment. The grant is one of very few examples the Government can point to of help being given to those infected with Hepatitis C. It is important that we do not give critics room to argue that the Government has gone back on its commitment, by failing to grant a reasonable increase this year to meet a need for help for Hepatitis C sufferers, which quite clearly already exists. We have already had to dissuade the Society from applying for a further increase for 1997/98, which some of their members had been advocating.

7. This minute therefore asks if you could find ways of increasing CA OPUs' allocation for 1997/98 by £50,000 (or £49,500) to meet particular demands this year which we are unable to meet from our usual allocation. We would not expect the Society's bid to be as high again next year, although some increase in the core grant may be requested, in view of savings from the ending of the project grant (£60,000). We persuaded the Society to agree to bid for only one year's funding currently, so that they could monitor demand before bidding for future years.

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