With permission, Madam Speaker, I would like to make a statement about the organisation of the National Blood Service in England.

I have today accepted revised proposals from the National Blood Authority for the future of the blood service. The details of these changes are set out in a policy document, copies of which are available in the Vote Office.

The blood service is an essential part of the NHS. Modern medicine relies on the ready availability of blood and blood products, and the National Blood Service has an enviable reputation for providing a service that is safe, reliable and efficient. The changes that I am announcing today build on that reputation.

In this country the blood service is based on a gift. Blood is given by registered donors who neither seek nor receive payment. The blood service accepts two obligations in return. Firstly, it accepts an obligation to provide to donors a service that is safe and convenient. Secondly, it accepts an obligation to ensure that their gift is used as effectively as possible.

The changes I am announcing today will mean an improved service to donors. New information technology will mean that donor sessions are better planned; higher standards will be set for the premises which are used; and greater use of mobile units will allow for more local donor sessions. These changes will be underwritten by the publication today of a Blood Donor's Charter which will set out the standards which donors are entitled to expect, as well as a new complaints procedure to operate if these standards are not met.

Today's changes will also mean a better service to hospitals. Every hospital will continue to have its own blood bank. The blood service will continue to supply those hospital banks from its own network of 15 NBS Blood Banks. In addition it will open two more NBS Blood Banks in South Lincolnshire and Central London. The addition of these two new facilities will for the first time allow the Blood Service to give every NHS hospital the assurance that hospital supplies can be

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replenished within a maximum of two hours.

Furthermore the Blood Service is increasing the resources which it commits to research and development. It is for the first time appointing a national co-ordinator [director???] of R&D and it is developing centres of research excellence at Cambridge and Bristol. An extra £0000 will be devoted to ensuring the latest developments in the field of transfusion medicine are made available to hospital consultants [and specialist bodies???].

It is important that every consultant whose practice relies on the effectiveness of the National Blood Service should be confident that it is able to meet his or her requirements. I have therefore decided to establish a National User Group to monitor the service provided to hospitals by the blood service. It will report to me annually, and its reports will be published. I am delighted to inform the House that Professor Edward Gordon-Smith, Professor of Haematology at St George's Hospital, London, has agreed to be its first Chairman.

As the House knows, I attach great importance to minimising unnecessary administrative and support costs in the NHS. When the National Blood Authority was established in April 1994, the structure of the blood service reflected its history as the responsibility of the 14 regional health authorities. There were 13 administrative centres, with computer systems that were not compatible with each other and considerable duplication of both administrative and specialist clinical support services. These arrangements made it difficult to move blood stocks from one region to another when the need arose.

The changes I am announcing today will simplify these structures. A new computer system will allow blood stocks to be managed on a national basis; specialist clinical support services will be reorganised to make more effective use of the skills available; and the administrative functions now carried out at 13 administrative centres will be concentrated at 3 centres in Leeds, Bristol and London. These changes will release £4.5m for patient care elsewhere in the NHS.

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Furthermore the organisation of processing and testing of blood supplies on a regional basis has led to significant overcapacity and waste of resources. I have therefore accepted the NBA's proposals to concentrate processing and testing work in fewer centres. This work will cease at Lancaster by March 1996; Oxford, Cambridge and Liverpool by December 1997 and Plymouth by March 1998. Concentration of this work at the remaining centres will leave the blood service with sufficient capacity to meet projected demand and release a further £2.5 million for patient care elsewhere in the NHS.

The decisions I am announcing today will be phased over the next three years. They will involve reductions in staffing levels over that period of 300 posts. This represents a 7% reduction over the period, and the management of the blood service will do everything possible to avoid compulsory redundancies.

Today's announcement brings to an end a period of substantial uncertainty in the National Blood Service. It is a reflection of the dedication and professionalism of the staff that they have maintained high standards of service throughout this period.

These changes will bring significant service improvements to both donors and hospitals, while at the same time releasing a total of £10 million for improved patient care elsewhere in the NHS.

I commend them to the House.

[884 words]

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