

NATIONAL BLOOD AUTHORITY

**1999/2000 MID-YEAR ACCOUNTABILITY REVIEW: WEDNESDAY 3
NOVEMBER 1999**

CHAIRMAN'S BRIEF

Those Attending

NBA: Mike Fogden, Martin Gorham, Tim Wallington (standing in for Angela Robinson), Barry Savery.

NHS Executive: David Hewlett, Mike McGovern, Charles Lister

Papers

- minutes of the Accountability Review held on 30 April;
- the 1999/2000 Operational Plan;
- a NBA report comparing progress to 30 September 1999 with targets in the 1999/2000 Operational Plan.

Minutes of the April Review

Aside from the following, all matters arising from the previous minutes are covered in the Agenda:

Liverpool (para 15) - the NBA now plan to spend £2.5m (revenue) over the next 12 months on refurbishing the Liverpool Blood Centre. £400K will be spent in 1999/2000 and the remainder in 2000/2001. This is being done without additional funding from the Department.

Agenda Item 1: Blood Supply and Safety

(i) Meeting NHS Demand for Blood (section 2(i) of NBA Review Paper)

NBA met 99.7% of hospital demand thanks to the build up of stock levels. 1998/99 comparison is 93.8%. Blood stocks have been held consistently at between 40-50,000 units. NBA's challenge has been to control stocks to limit wastage (0.6% this year compared to 0.36% in 1998/99). This is also impacting on hospitals because blood is being issued closer to its expiry date than in the past, increasing the risk of wastage at blood banks. NBA are aiming to build up stocks to around 60,000 for the millennium. Thereafter, they will need to form a view on the optimum stock level for meeting NHS demand.

You may wish to ask NBA for an update on their blood stocks project. Phase 2 of the project is now completed and a report is planned for mid November. Although a draft of this is now available, we have yet to see it.

You may also wish to ask for a progress report on extending PULSE (the NBA's database) into blood banks (para 5 of April minutes). Mike Fogden had undertook to discuss this with Professor Bellingham in the context of the wider NHS IT strategy.

(ii) Millennium Planning (section 2(vii))

The NBA provided an interim plan as requested by 30 June, with which we were content. We are currently waiting for their final plan (due 30 September but promised for the end of October).

The plan to re-run the TV advert (set on a train) as part of a pre-millennium donor recruitment drive was temporarily suspended after the Paddington rail crash to avoid accusations that the NBA were "cashing-in" or insensitive. A new advert, on similar lines, depicting a street scene has now been substituted.

(iii) NAT testing and leucodepletion (section 2(iv) & (v))

The NBA have met their key target of leucodepleting all blood processed from 31 October. You will wish to congratulate the NBA on this achievement. [We are arranging for Ministers to send a formal letter of congratulations to Mike Fogden].

All frozen blood components have been made from NAT tested products since 1 September. The aim is to introduce NAT testing for fresh blood components as soon as possible after April 2000. [NB: Nucleic Acid Amplification Technology (NAT) testing enables viral infections to be picked up sooner than other forms of test. It is currently being used to test for hepatitis C].

Agenda Item 2: Rebuilding Confidence and Modernising the Service

(i) New Structure and Strategy for the NBS (section 2(ix))

Martin Gorham can update on this. All Executive positions have now been filled, two externally. The aim, as before, is to complete the new structure by the end of the financial year.

(ii) NBS Performance Indicators

At the April meeting (para 16 of Minutes) you asked whether it was still the NBA's intention to extend the PIs used in Liverpool nationwide (local clinicians considered them to be more useful than the PIs used by NBS nationally). Although Martin said that he would prefer to leave this until the new NBS structure was in place, it was agreed that we would return to the issue at this meeting.

(iii) Modernising Donor Services (section 2(ii))

- **Donor 2000:** Para 2(ii) of the NBA's Mid Year Report lists the achievements of the NBA's Donor 2000 programme, chaired by Mike Fogden. However, we have concerns that the programme is not sufficiently linked into the overall donor communications strategy and that very little information about its activities is communicated to the Department and therefore to Ministers. For example, no information was given to the Department about two recent Donor 2000 outputs – a video sent to all O negative donors and a leaflet sent to around 3 million households. We found out about the leaflet from COI a month after it had been issued. We have therefore asked Martin Gorham to arrange for a schedule to be sent to us showing all planned Donor 2000 outputs and for this to be regularly updated. This meeting provides an

opportunity to make Mike Fogden aware of these concerns.

The lack of a link between Donor 2000 the overall communications strategy should be resolved by a new DH/NBS advertising strategy team being set up by Helen McCallum. This will include Liz Reynolds, the NBA's newly appointed Director of Communications, who is a leading figure on Donor 2000.

Our understanding is that the budget for Donor 2000 is around £7-8m a year. This does not include the cost of the National Call Centre (£2m pa) which the NBA are looking to the Department to fund in 1999/2000. It is unclear what mechanisms are in place within the NBA to evaluate individual Donor 2000 projects to ensure that they represent good value for money, and you may wish to ask about this.

- **National Call Centre:** Mike Fogden has written to the Department suggesting that NBA take on the management of the call centre from Comms and COI. The contract for the call centre is currently held by COI and has a further 2 years to run, making a straight handover to the NBA far from straightforward (eg under procurement rules, NBA might have to re-tender the contract if the customer ceases to be COI). However, we have agreed that we should look to handover control to NBA at some point in the future, and have agreed to review the position at the end of the financial year when the new NBS structure is fully in place.
- **Donor Waiting Times:** At the April Review it was agreed that the NBA would aim to develop a target for reducing waiting times for the 2000/2001 Operational Plan (para 23 of the minutes). You may wish to confirm with Martin that this is still his intention.

(iv) Improving Good Manufacturing Standards (section 2(vi))

Following the April meeting, the NBA set themselves the target of reducing significant non-compliances by 20% (para 24 & 25 of the minutes). So far this year, there have been no such instances.

(v) Communications with clinicians and the wider NHS

No specific target was set for this. Martin Gorham or Tim Wallington should be able to provide an update.

(vi) Communications with NBS Staff (section 2 (viii))

Martin will report on initiatives to improve staff morale and performance.

Agenda Item 3: BPL (section 2(x))

(i) Imported Plasma

All licensed BPL blood products are now manufactured from US plasma. The main milestone this financial year was the introduction in May of US-derived anti-D immunoglobulin (for Rhesus negative pregnant women).

(ii) Review of Plasma Fractionation

Initial options were put to DH and Scottish Ministers in July. At a meeting in September, Lord Hunt indicated a preference for PFI solutions to BPL's under capacity problems and ruled out outright privatisation. Lord Hunt has now asked for a further paper to put to Secretary of State. Scottish Ministers are yet to form a view. Once a way forward has been agreed between DH/Scottish Ministers and the Chief Secretary, we will give the NBA Board an opportunity to input before going on to the next stage of the review [this is likely to be in a study by external consultants making recommendations on workable private finance solutions for BPL].

Meanwhile, BPL's strategy - faced with a declining NHS market - is to increase export sales. Their plans envisage increasing exports to around 53% of total output by 2003/04. This includes seeking FDA approval for the BPL plant (cost = £1m over 4 years) to open up new markets in the US and elsewhere. This raises questions - eg about third party liabilities in litigious countries such as the US and the extent to which Government is prepared to underwrite these - which have come to the fore over BPL's proposal to manufacture a product (Fibrin Sealant) under contract for sale only in the US. A submission on this will be put to Ministers shortly.

Agenda Item 4: Finance (section 5)

(i) Mid Year Position and Anticipated Outturn

Barry Savery will speak to this.

NBA's mid-year position is looking very healthy, with the I&E statement showing an operating surplus at 30 September of £14m and a projected year-end forecast surplus of £6.4m. However NBA are at pains to point out that:

- a surplus was to be expected at this point because the pricing structure averages out costs over the year whereas the bulk of NBA's expenditure will fall in the second half of the year;
- the projected end of year surplus may be reduced if the high blood stocks built up before the millennium are not needed and have to be wasted.

We have made clear to the NBA that any end of year surplus will need to be declared as early as possible after the millennium and returned to the centre. You may want to repeat this. NBA have asked what the chances are of being able to carry forward money into next year. We have told them that this is most unlikely given the anticipated pressures on the Vote next year.

At the April meeting (para 33 of minutes) we agreed to set up quarterly financial monitoring meetings with DH Finance staff. The first was held in June and was successful. The next is planned for later this month.

(ii) Future Funding Issues

- **2000/2001 Cash Limits** – We are likely to know these later this month. We have primed NBA to expect less than they have asked for.

- **Year 2000 Spending Review** – NBA have submitted an outline estimate of their expected revenue and capital needs, excluding income derived from blood prices, for the next 3 years.
- **Blood Prices** – The National Commissioning Group on Blood are strongly of the view that there should be a closer relationship between the finances available to the NHS and the costs incurred and passed on by the NBA. We have agreed to consider options with Finance and NBA and to put a paper to the Commissioning Group at its first meeting next year (in April). NBA are predicting a continuing decline in NHS demand for blood which inevitably puts up prices. This suggests the need for NBA to look closely at the scope for cost improvements. At present, we do not require NBA to meet an efficiency savings target, and this is something we will wish to consider.

You may wish to float these ideas past NBA and get them signed up formally to this exercise.

Agenda Item 5: Managing Arms Length Bodies

The following actions are outstanding from the last meeting or have since changed:

- **Framework Document** – work on developing the document has not yet started due to pressure of business. Suggest we agree with NBA to complete by end of 1999/2000.
- **Corporate Plan** – we have agreed verbally a revised timetable with the NBA:
 - end October – submit estimated financial requirements for next 3 years; [we now have these]
 - end November – submit outline 3 year plan
 - end February – submit final plan.

Suggest you ensure that NBA are fully signed-up to the last two deadlines.

- **Joint DH/NBA Agreement on Advertising** – Helen McCallum is setting up an advertising strategy team with HSD1, Comms & NBA to achieve better synchronisation of activity. This should obviate the need for a formal joint agreement.

Agenda Item 6: Date for Annual Accountability Review

We need to get NBA signed up to a deadline for producing the 2000/2001 Operational Plan so that it can be agreed *before* the start of the next financial year. Suggest mid February 2000.

Suggest a date for the Review in late March/early April 2000.