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[REDACTED]

BLOOD PRODUCTS LABORATORY

1. Thank you for sending me a copy of [REDACTED] note about the viability study on the [REDACTED]. I particularly note the conclusion that the Department should not on financial grounds make a loan or grant to [REDACTED] and that the possible consequences of [REDACTED] ceasing to produce sera and vaccines should be accepted.
2. As you know, the [REDACTED] are responsible for the day-to-day management of BPL and we are currently considering whether we should ask the [REDACTED] to assume responsibility for the day-to-day management of the other NHS central laboratory, the Blood Group Reference Laboratory. In fact, the proposal is to be discussed today with the Chairman of the Central Labs Sub-Committee. We are less sure than were our predecessors that a NHS authority would willingly take over responsibility for these laboratories - indeed we rather doubt that such a move would be in the interests of the laboratories in particular and the NHS in general - and our conclusion after carefully studying the position is that we could not do better than invite [REDACTED] to take over day-to-day responsibility for BGRL which the MRC wishes to offload by 1 April 1977.
3. It is difficult to say what we do if [REDACTED] were to cease to function. Naturally I cannot expect you to give undue weight to Lister's role as managers of two central laboratories, especially as it may be only an interim arrangement. Nevertheless we should be faced with very real difficulties if [REDACTED] were to close down. The BPL site is leased from [REDACTED] and I will check to see what the effects on this lease would be if the Lister were to be wound up. It is doubtful that BPL would have the security and stability of tenure we require of the site were to be sold. A quick switch of BPL to new premises is out of the question: lack of ready capital is only one of the stumbling blocks. BPL is a blood products factory as well as being a centre for research and development, and if it ceased to function large parts of the NHS would suffer almost immediately. It could not therefore be closed until a new factory had been ^{designed and} built, (4-5 years, cost £25m) and had been operating satisfactorily for some time. Any disruption in production during this interim period, which could well arise if we were forced to act too quickly, would probably cause clinicians to fall back on commercial suppliers of blood products, thus adding to the total cost of the NHS as well as inducing a setback for Ministers' policy of UK self-sufficiency in blood products production.

2 February 1977

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