

LLC

With Mr J A Patterson's compliments

Treasury Chambers <sup>D 17</sup>  
Great George Street  
LONDON SW1

GRO-C: Miss Davies

For info - Scottish Plasma Lab, plan - H/B3/6  
to letter of 2 Dec?

GRO-C 15/12

259

MS 235/127/01  
HOS/5/SE 101/12 PtB

December 1969

W P Lawrie Esq  
Scottish Home and Health Department  
St Andrew's House  
EDINBURGH 1

BLOOD PRODUCTS UNIT, EDINBURGH

Thank you for your full and helpful letter of 2 December.

I give Treasury approval to a final cost limit of £1,728,079 for this project, and note that you will make proposals to the Treasury to re-phase the expenditure. As I see it the important thing will be to ensure that the re-phasing will fit in with other capital adjustments under the Health and Welfare block within FESC ceilings.

I also note that the computer accounts for a substantial part of the increase, and that well over £100,000 attributed for professional fees etc represents fixed costs which will be borne by the Regional Hospital Board if not by this project.

Given the previous delays and the case for pressing ahead to avoid uneconomic overseas expenditures (your paragraph 13) I am prepared to give this approval despite the lack of an assessment of revenue consequences. For a straightforward hospital project I should have preferred to delay this approval (and still more so if we had been at the approval in principle stage). But for this novel, one-off project I recognise your difficulties and I shall await your report in the next few weeks.

I note that Ogilvie in his letter of 19 February to Langdon referred to 'costing requirements, pricing policy and accounting practice' as matters requiring consultation. Sutton touched on this in a letter to Ogilvie of 3 April. When you write on the revenue consequences I should like to know at the same time what financial arrangements with the Regional Hospital Boards both North and South of the Border are proposed.

I am sending a copy of this letter to RPS Hughes of the Department of Health and Social Security, I also enclose a spare copy in case you wish to send it to Ogilvie.

Yours sincerely

J A PATTERSON  
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