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Prime Minister

cc BSG

PRIME MINISTER

NHS

could do it without the enthusiasm support of JGJ and BSG

It might be worth linking any such exercise specifically to the development of a paper costing system. I have asked Roy Griffiths to let you have his personal views on costing as soon as possible.

RR66 1/2

You mentioned yesterday the possibility that the Efficiency Unit might be able to help on the NHS with a scrutiny. I undertook to give further thought to this.

The strength of the scrutiny process lies in finding the actual facts on the ground which often are somewhat confused or different from what is alleged or believed; with a clear understanding of the real facts it is then possible to look at a problem afresh.

I believe that the Efficiency Unit could lead a scrutiny to define, for example, the major management problems at various levels in the NHS - hospitals, districts, regions, and DHSS - and then to recommend how to tackle them.

For such a scrutiny to succeed, although led by the Efficiency Unit, the team would need to be drawn from the NHS and DHSS and would need to have the active support of the Secretary of State and his top managers. It would also need to be set up with sensitivity for the strong feelings that are rife in the NHS.

The Efficiency Unit remains extremely small and with the launching of Next Steps currently has plenty to do. It would probably not be sensible to start a new major study until sometime in March. This would also have the advantage that Kate Jenkins should be back and fully effective by then; this is the sort of study at which she would excel.

I am not in a position to judge whether in all the circumstances such a scrutiny would be helpful. But if you were to decide that it would be, then it looks to me quite feasible. Alternatively if there is something else that you would like me personally to do on the problem then I should be pleased to have a go.

I am copying this to Robin Butler.

Robin Ibbs
29th January 1988