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Ref. AO89/196

PRIME MINISTER

NHS Review: Central Management of the NHS

I attach a brief by Mr Wilson. I should like to emphasise these points.

2. First, the Secretary of State's paper directs your attention to question whether the Management Executive should be a non-statutory body (within the Department) (option two), a separate statutory authority (option three) or a public corporation (option four). He recommends option two, and you may well agree with this. But this is not the only or most important question. The main question is the layers of bureaucracy between Management Executive and the operational end of the health service. These layers of bureaucracy exist both in the department and in the regions and districts. They arise at both levels, because the departments place regulations and requirements on the regions and districts which they have to employ people to respond to. (I have provided you separately with an illustration of the bureaucracy in the area of dismissals.) If you want this removed, it will not be done simply by establishing a new relationship between the Management Executive and the Secretary of State. It will require a specific scrutiny of the role of officials in the Department, the regions and the districts and insistence that they be reduced perhaps with a numerical target. (You will remember that there is to be a scrutiny of the role of the medical divisions next year.)

2. Second, if we were setting up the Management Executive as



an agency under Next Steps, the Chief Executive would be given a written framework setting out the responsibilities delegated to him over, eg, recruitment, promotion, pay and approvals of capital expenditure. Should not a similar definition be given to the responsibilities of the Chief Executive of the Management Executive?

R.B.

ROBIN BUTLER

23 January 1989

conqueror