



10 DOWNING STREET

LONDON SW1A 2AA

12 June, 1989.

From the Private Secretary

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MANAGEMENT ARRANGEMENTS FOR NHS IN SCOTLAND

The Prime Minister was grateful for your Secretary of State's minute of 31 May.

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The Prime Minister is concerned that the proposals do not go far enough to ensure effective management of the NHS in Scotland. She has the following specific comments and queries:

- She notes that in England there will be a written statement of the Chief Executive's responsibilities, and she wonders if your Secretary of State has anything similar in mind for Scotland so that the Chief Executive's specific powers are made clear.
- She notes that in England the Chief Executive will make his own senior appointments subject to clearance with the Permanent Secretary and the Secretary of State in the most senior cases; does your Secretary of State plan a similar arrangement for Scotland? Similarly, the Prime Minister wonders whether it will be made clear that, in his relations with the Health Boards, the Chief Executive will speak with the Secretary of State's authority on management matters.
- She would be grateful for more precise details of the proposed membership of the Management Executive.
- She has asked for information about the number of support staff in SHHD on the policy and management sides, and whether your Secretary of State will consider the possibility of reducing numbers, for example through an elimination of double banking.
- She would be grateful for material on the proposed Accounting Officer responsibilities, especially as regards administration expenditure.

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- She has noted the proposal to decide how the responsibilities of the Chief Executive's post should best be discharged some time after his appointment; she wonders why it is not intended to do this before his appointment.
- She has asked whether the Chief Executive will have the final say in fixing the level of remuneration of general managers based on the relative performance of the Health Boards.

I am sending a copy of this letter to the Private Secretaries to the Secretary of State for Health, the Secretary of State for Wales, the Secretary of State for Northern Ireland, the Chief Secretary, the Deputy Chairman of the NHS Management Board, and to Richard Wilson (Cabinet Office) and Sir Robin Butler.

Paul Gray

David Crawley, Esq.,
Scottish Office.