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Prime Minister
Ian Widdel has no comment on this.
Contact for Mr. Rifkind
to proceed?

30 January 1990

Dear Paul

Re: 6
1/2 Yes and

CENTRAL MANAGEMENT OF THE NHS IN SCOTLAND

I refer to my letter of 6 December and enclose my Secretary of State's detailed proposals for the Central Management of the NHS in Scotland. The key element is the creation of a Management Executive, led by the Chief Executive. The proposals are fairly similar, but not identical, to the arrangements already in operation in England. We now wish to move quickly to set up the Management Executive in Scotland. We expect to look beyond the Civil Service (and probably also the NHS in Scotland) to fill most of the Director posts. We are in touch separately with the Treasury on staffing and grading issues.

1990 will be a year of transition. The Chief Executive will be consolidating his position through a range of activities, including extending the Accountability Review Process, agreeing performance plans for Health Board General Managers, and making himself widely known by and accessible to NHS interests in Scotland. For that year only, a one-year plan (developed from Annex C of the accompanying paper) is proposed. The intention thereafter is that the Chief Executive should prepare a 3-year Management Plan describing how to achieve specific objectives as defined by Ministers, within a framework of resource assumptions and policy guidelines.

Agreement has already been reached with Treasury on the scope of the Accounting Officer responsibilities which the Chief Executive assumed with effect from 1 January 1990.

Subject to any points which the Prime Minister may wish to raise, Mr Rifkind intends that the Chief Executive should outline the new Management arrangements to the Health Board Chairmen and General Managers in the course of February. This will provide a further impetus to their efforts to carry forward our White Paper proposals.

I am copying this letter to Andy McKeon (Department of Health), Stephen Williams (Welsh Office), Stephen Leach (NIO), John Gieve (HM Treasury) and Sir Robin Butler.

JDG

J D GALLAGHER
Private Secretary

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