

PRIME MINISTER

NHS MANAGEMENT INQUIRY

I have now had the opportunity of reading and digesting the attached report from the Management Inquiry Team and the covering personal letter from Roy Griffiths, which Ken Stowe copied to your office last Friday.

Subject only to one or two minor presentational points this is an admirable document which has my full support. I want to implement its main recommendations, starting within DHSS to show we mean business. It provides an invaluable validation of all we are doing, and intend to do, to improve the management of the NHS. It will also help us to meet the criticism we are getting over manpower targets and expenditure cuts.

It will be most important to publish the report in full before the Debate on the Health Service on 27 October. I envisage publishing the report, probably by way of a statement, no more than a day or two before the Debate. I shall want to make it clear that the Government accepts the Griffiths recommendations and intends to implement them vigorously in consultation with health authorities and appropriate bodies including the Professions.

I will be circulating to you and the other recipients of this letter the terms of my proposed statement on publication of the report. My broad approach will be to accept the report in general and ensure its vigorous implementation by the health authorities and other bodies concerned as urgently as possible, subject to some necessary adjustment at the edges in the light of consultation.

I am copying this letter and the report to Willie Whitelaw, Nigel Lawson, Peter Rees, James Prior, George Younger, Nicholas Edwards, John Biffen, Robert Armstrong and Robin Ibbs.

11 October 1983

N F





10 DOWNING STREET

From the Private Secretary

17 October, 1983

Dear Steve,

NHS Management Inquiry

The Prime Minister has seen your Secretary of State's minute of 11 October. She agrees that the Government should accept the recommendations of the Griffiths Report and that your Secretary of State should make a statement before the Debate on the Health Service on 27 October. She hopes this statement will be cast in a positive way, stressing the need to give the NHS the best management that can be found for it rather than giving the appearance of just another cost cutting exercise.

B1E1  
She has commented that the success of the proposals depends crucially on getting the right people into a few key posts. She has asked whether your Secretary of State has any names in mind.

I am copying this letter to Private Secretaries to the Lord President, Chancellor, Chief Secretary, Secretary of State for Northern Ireland, Secretary of State for Scotland, Secretary of State for Wales, Lord Privy Seal, Sir Robert Armstrong and to Sir Robin Ibbs.

Yours sincerely  
Andrew Turnbull

ANDREW TURNBULL

S. A. Godber, Esq.,  
Department of Health and Social Security



Yes

10 DOWNING STREET

Prime Minister <sup>(4)</sup>

but  
see below.

NHS Management Inquiry

Agree:

- (i) that Government should accept Griffiths' recommendations, pages 3-9. (To note in particular creation of a Supervisory Board and a Management Board)?
- (ii) that a statement be made before Debate?

To note Policy Unit advice that statement should be positive, stressing that NHS is being provided with best management available, not <sup>just</sup> being subjected to ~~best~~ cost cutters.

None of this will work unless we can find the right people. Have we any names in mind? AT 14/10  
mf



MR TURNBULL

14 October 1983cc Mr Mount  
Mr Ingham

Mr Fowler proposes to publish this report a day or two before the Debate on the Health Service on 27 October. There are two issues which ought to be clarified by then:

(i) has the DHSS fully thought through the implications of the report?

(ii) how should the report be presented in a way which will win back the initiative on the health service?

#### The Recommendations

There is no question but that the Government should accept the main thrust of the report - the need to inject a managerial approach into the NHS, to replace "consensus management" by real managers, who will be identifiable, accountable for the use of their resources and responsible for health care performance. Everyone in the NHS would then know the answer to the question: who is in charge here? The answer at present is: everybody and nobody! Clinicians, nurses and administrators can each veto proposals and appeal, via their own vertical lines of authority, to the next tier in the hierarchy. The veto and the right of appeal will no longer be available under the proposed arrangements. The general manager, at the hospital, district or region, will have, and be seen to have responsibility for decisions.

The report records a ground swell of support in the NHS for this approach. It probably underestimates the difficulties of securing the changing attitudes needed. It will be important, in presenting these proposals, to stress that the NHS manager will be the best person for the job and that he, or she could have a medical, administrative or business background. The replacement of a number of existing staff would probably be needed.

#### Regional Health Authorities

We are anxious to see the very minimum of duplication of district functions at the regional level. The report states that



"the role of regions needs to be strengthened". The intention is that the RYAs would exercise a taut control on a few but important matters, not that they will acquire more functions. The report is too vague on this point. We think that Mr Fowler will need to emphasise at the outset that decisions will be pushed down the hierarchy.

#### Problems at the Centre

The proposed reforms will only achieve their intended results if the logic of the report is fully followed through at the top. The hidden message in the report is that part of the NHS problem lies in the DHSS itself:

(i) its structure resembles that of the NHS in the sense that two Permanent Secretaries - an administrator and a Chief Medical Officer - and their respective staffs, work in parallel, coming together only at the Ministerial level;

(ii) the DHSS sees itself as being politically responsible for any and all of the operations of the NHS, answering PQs on bed utilisation in Stoke Poges, or whatever.

The intention of the authors of the report is to depoliticise the NHS to an important degree. There is no point in appointing good managers and securing acceptance of their authority by their staff if at the same time they are subjected to detailed political interference on operational matters. If Mr Fowler is to make his reforms work he, and his successors, will need to be prepared:

(i) to back the authority of the Chairman of the Management Board (let us settle on a better title: Director-General?);

(ii) to reply to parliamentary colleagues that operational matters are the responsibility of NHS management. The logical counterpart to this is that NHS managers must go out of their way to respond to what the public wants, rather than just waiting for complaints.



A useful bi-product of this approach is that the DHSS could shed many of the posts concerned with looking after the NHS.

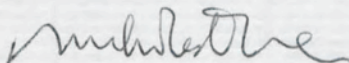
Conclusions

Our advice is that, in reply, the Prime Minister might:

(i) endorse the report and the handling of it which is proposed;

(ii) says that she hopes that Mr Fowler will consider how to give authority to the Chairman of the Management Board, along the lines indicated above;

(iii) looks forward to hearing how Mr Fowler proposes to present this initiative. It will be important to present the changes in the most positive possible way, avoiding any suggestion of a cost cutting exercise eg "that in view of the importance of the NHS in our national life it deserves the very best management that it is possible to obtain".

  
NICHOLAS OWEN

