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PRIME MINISTER

IMPLEMENTATION OF THE NHS MANAGEMENT INQUIRY IN WALES

As I believe, Norman Fowler has been keeping you in close touch with his proposals for implementing the NHS Management Inquiry in England. I have consulted with him (and with George Younger) and you will wish to know that I propose similar arrangements for Wales, taking into account the somewhat different Welsh context.

I understand that the English arrangements are to be announced on Monday 4 June and I therefore intend to issue my own circular for Wales on Wednesday 6 June.

I shall be appointing as soon as possible a Director of the NHS in Wales who will be a member of my new Health Policy Board and Chairman of that Board's Executive Committee. The appointment will be at Under-Secretary level. The appointee will carry the lead responsibility at official level for discharging my responsibilities in respect of the management of the NHS in Wales and will be appointed as an Accounting Officer for that purpose. The Treasury has agreed to these arrangements.

A copy of the All-Wales Director's job description - which also describes the framework within which the appointment is to be made - is attached for your information. I am copying this letter (without the job description) to Nigel Lawson, Norman Fowler, George Younger and Sir Robert Armstrong.

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4 June 1984

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## JOB SPECIFICATION FOR THE DIRECTOR OF THE NHS IN WALES

## 1. THE CONTEXT

1.1 The appointment will be to a new post in the Health and Social Work Department of the Welsh Office which is the department of state of the Secretary of State for Wales. The Secretary of State for Wales is responsible for a wide range of Government functions in Wales, including health and social policy and the National Health Service. The new post of all-Wales Director of the NHS will be concerned primarily with the management of the NHS in Wales.

1.2 The establishment of this post forms one part of the implementation in Wales of the principles of the NHS Management Inquiry which, under the chairmanship of Mr Roy Griffiths, the Managing Director of Sainsburys, reported on the management of the NHS in England in October 1983. The Secretary of State for Wales considers the principles of the Inquiry's report to hold equally for the NHS in Wales.

1.3 As its name implies, the NHS is a national service and there are common elements to its policy and management running across England and Wales, although the determination of policy and management within Wales is the responsibility of the Secretary of State for Wales. There has to be close co-operation and regular exchange of information between England and Wales, particularly in relation to personnel matters, such as pay and conditions of service for NHS staff (on which matters in particular the DHSS takes the lead), and in the development of management systems.

1.4 The Secretary of State for Wales discharges his statutory responsibilities for the provision of health services mainly through 9 district health authorities which run hospital and community health services, and also through 8 family practitioner committees which administer the family practitioner services provided by independent contractor general practitioners, dentists, opticians and pharmacists. The Secretary of State exercises certain functions in relation to major capital works, computers and prescription pricing through a special health authority known as the Welsh Health Technical Services Organisation (WHTSO).

WHTSO also acts as the agent of district health authorities for major capital projects. These statutory health authorities employ the equivalent of over 54,000 full time staff and there are nearly 3500 independent contractors. Total expenditure on the NHS in Wales in 1983/84 was over £800 million, most of which was funded by the Welsh Office.

1.5 The Secretary of State for Wales appoints the Chairmen and members of district health authorities and of WHTSO, and subject to legislation now before Parliament will appoint the Chairmen and members of FPCs. He has statutory powers to direct district health authorities and WHTSO and, subject again to legislation, will have such powers in respect of FPCs. NHS staff are accountable to the authority which employs them rather than to the Secretary of State.



1.6 Management of the NHS at the all-Wales level aims to secure that NHS authorities manage services effectively and efficiently in line with the Secretary of State's policies and priorities. Important management functions also have to be carried out, including those in respect of regional services. These are services where the location and capacity is determined by the Secretary of State for Wales and which serve more than one district health authority area. They include renal dialysis, cardio-thoracic and bone marrow transplant services. Other regional functions include the allocation of resources to NHS authorities and regional personnel and management functions.

## 2. ROLE AND FUNCTIONS OF THE DIRECTOR

2.1 The Director will carry the lead responsibility at official level for the discharge of the Secretary of State for Wales' responsibilities in respect of the management of the NHS and will be appointed as an Accounting Officer for that purpose. His/her principal functions can be grouped into five main categories, as follows:-

- (1) Functions flowing from the Director's membership of the Health Policy Board and chairmanship of the Board's Executive Committee (see section 4 below):-
  - a. to advise the Secretary of State so that he can take management considerations affecting the NHS into account in the development of his wider policies and priorities for health and social affairs.
- (2) To operate in close liaison with the DHSS, which in such matters as pay, conditions of service and certain other personnel matters, negotiates on a national footing:-
  - a. to carry out all-Wales personnel functions in respect of pay and conditions of NHS staff, industrial relations, training, career development and manpower planning and control. In the case of the major health care professions there are existing statutory and other national professional bodies responsible for setting standards and prescribing educational and training requirements. The Director will need to work in co-operation with these bodies.
- (3) To manage on behalf of the Secretary of State his direct all-Wales 'regional' responsibilities, comprising:-
  - a. the management of regional NHS services in Wales (as defined in paragraph 1.6 above).
  - b. works management: control of large and regional capital schemes. This will involve a special relationship with WHISO; and an early task for the all-Wales Director will be to examine the present functions of WHISO and its relationship with the Welsh Office and the DHAs and to make recommendations for the future to the Secretary of State.



- (4) To operate on behalf of the Secretary of State his controlling and monitoring functions in relation to the management of the NHS in Wales, consisting of:-
  - a. the general management of the NHS - including the review of performance of district health authorities mainly through the conduct of the annual reviews; continuous development of organisation and systems effectiveness; securing effective consultation, communication and information systems within the NHS and between the NHS and the Welsh Office.
  - b. finance - including advice on the allocation to NHS authorities of such total resources as the Secretary of State may make available for the NHS; financial control; ensuring effective budgeting and financial management systems;
  - c. NHS service planning - ensuring that the Secretary of State's policies and priorities are translated effectively into plans by NHS authorities and monitoring their implementation. The Director will therefore take the lead, in close collaboration with the policy staff of the Welsh Office, for advising the Secretary of State on the appraisal of district health authorities' 10 year strategic plans and the scrutiny of their annual operational planning statements. Monitoring will be a continuing process but will also be formalised in annual performance reviews of District Health Authorities.
- (5) To encourage good management practice by the DHAs in the exercise of their management responsibilities and to lead, co-ordinate and develop the wide range of administrative, financial and other functions relating to the administration of the NHS in Wales, including in particular the following:-
  - a. ensuring effective management of the NHS estate, including disposal of surplus land and property.
  - b. procurement - development of cost-effective NHS procurement policies and practices for goods and equipment.
  - c. scientific and high technology management, including the application of computers and information technology in the NHS.

2.2 Legislation providing for the family practitioner committees to become independent of the health authorities is currently before Parliament. Subject to that legislation, responsibility for introducing the new arrangements will remain initially with the policy side of the Health and Social Work Department of the Welsh Office. However, it is intended that from 1 April 1986 the Director will assume management responsibilities in relation to the FPCs similar to those relating to the district health authorities.

### 3. PRIORITY TASKS FOR THE DIRECTOR

3.1 The general priority of the Director will be to develop and improve the management of the NHS in Wales. With this aim in mind early action will be needed in particular to:-



4.5. The Director will, in addition to his contact through the Health Policy Board, need to keep in day-to-day contact with the health policy branches of the Health and Social Work Department of the Welsh Office in carrying out his functions generally, but in particular relation to the conduct of the annual performance reviews of district health authorities, the approval of strategic and operational plans of authorities and the general monitoring of their performance in relation to the Secretary of State's policies and priorities.

#### 5. RELATIONSHIPS WITH THE NHS

5.1 The Director will be expected to provide strong leadership at the all-Wales level for the management of the NHS, using to the full the responsibilities vested in him by the Secretary of State. The Director and the Executive Committee will be expected to develop close working relationships with Chairmen and district health authorities on management issues. The Director and the Committee will also need to develop close personal working relationships with the district general managers and other senior staff accountable to the authorities. Equally, Welsh Office Ministers will expect, as now, to meet Chairmen as representatives of district health authorities from time to time to discuss important policy issues.

#### 6. RELATIONSHIPS WITH THE DHSS MANAGEMENT BOARD AND ITS CHAIRMAN

6.1 As noted above (see paras 1.3, 2 and 3.2) the Director and the Executive Committee will be expected to have close links with the DHSS Management Board and its Chairman. This will be of particular importance in relation to matters of common concern to England and Wales, including the reviews of personnel management, levels and decision taking and consultation arrangements and in matters affecting the terms and conditions of NHS staff.

#### 7. REQUIREMENTS FOR THE POST

7.1 The NHS is the largest single employer in Wales. The Secretary of State for Wales' direct accountability to Parliament for the performance of the NHS in Wales, the statutory framework within which he must work, and the complex nature of the issues involved in organising the effective delivery of health care, combine to provide unique and challenging management tasks.

7.2 Qualities and experience required for the post of Director are likely to include considerable experience and success in managing change in large organisations, preferably with a service orientation, and experience in dealing at a senior level with Government. Knowledge or experience of the NHS would also be desirable.

#### 8. TERMS OF EMPLOYMENT

8.1 The post will be graded Under Secretary. The post-holder will be a civil servant for the period of his/her appointment. He/she will not be able to retain any outside appointments.

8.2 The appointment will be a fixed term contract and not longer than 5 years in the first instance. There will be an option open to either party, subject to 3 months notice, to end the contract at the end of the first or second year. A further term or terms of employment may be made in due course by agreement.



- i. lead a drive for cost improvement programmes and the more effective use of resources by NHS authorities and in the management of regional service;
- ii. continuing to develop the annual performance reviews of district health authorities and ensuring that these are extended to unit level by district health authorities;
- iii. implementation with NHS authorities of management budgets, including the completion of the introduction of unit budgets and the greater involvement of clinicians and clinical resources in the management of the NHS;
- iv. developing a much stronger commercial orientation for the management of the NHS estate.

3.2 The Director will be expected to co-operate with the Chairman of the NHS Management Board of the Department of Health and Social Security, for example in reviews of:-

- i. levels of decision taking in NHS management;
- ii. consultation arrangements within the NHS;
- iii. procedures for handling major building schemes; and
- iv. personnel management.

#### 4. RELATIONSHIPS

4.1 The current responsibility of the Permanent Secretary of the Welsh Office for the organisation, staffing and management of the Department as a whole will not be changed. The Director will be responsible to the Permanent Secretary in line management terms.

4.2 The Chief Medical Officer and the Chief Nursing Officer are responsible to the Secretary of State in their respective professional fields. Against this background and that described in paragraph 4.1 above, the Director will have direct access to the Secretary of State as the senior adviser specifically on the management of the NHS. He will be a member of the Department's Management Committee which covers all the Department's management responsibilities.

4.3 The Director will be a member of the Health Policy Board for Wales. This Board will meet under the chairmanship of the Secretary of State for Wales to advise him on policies and priorities for health and social policy in Wales. Its membership and remit will reflect the need to take into account in the formulation of health policy all Welsh Office health and social policy responsibilities. The Director will chair the Executive Committee of the Board which will be responsible for carrying into effect in the NHS the policies and priorities of the Secretary of State.

4.4 Members of the Executive Committee will be accountable to the Director for the discharge of the managerial functions for which they are responsible eg personnel and finance. The professional members of the Executive Committee, namely the Chief Medical Officer and the Chief Nursing Officer of the Welsh Office, will continue to have direct access to the Secretary of State to advise him on matters relevant to their own professional responsibilities. They will also continue to be responsible for seeking and passing on professional advice from their respective professions.