



file

cc Mr Willetts
Pol. Unit
+ RTA

10 DOWNING STREET

From the Private Secretary

11 June 1984

THE NHS - IMPLEMENTATION OF GRIFFITHS

The Prime Minister has seen your Secretary of State's minute to her of 19 May, the Chancellor's minute of 5 June, and your Secretary of State's further minute of 8 June, about the appointment of a Personnel Director of the NHS Management Board.

The Prime Minister welcomes your Secretary of State's determination to carry forward the implementation of the Griffiths recommendations. She has noted his agreement with the Chancellor that the post need not carry any specific civil service grading, and that the initial appointment should be for a period of two or three years. She agrees with your Secretary of State that the possibility of extending this period should be kept open; that there may need to be flexibility as to salary; and that for the reasons set out by your Secretary of State the post should be described as "director" rather than "advisor".

The Prime Minister takes the view, however, that the first priority must be to appoint the Chairman. He can then recommend terms, conditions and candidates for the personnel post. She also believes that the implementation of the Griffiths Report and the creation of any extra posts must be accompanied by savings in the existing burden of DHSS administration. It would look odd if the first steps to reduce overheads involved the creation of new top jobs without the compensating loss of other posts. The Prime Minister would therefore be grateful for a report on your Secretary of State's thinking on the implications of Griffiths for the existing DHSS administrative structure.

The Prime Minister would also be grateful if the note commissioned by Andrew Turnbull in his letter of 4 June could cover wider questions of the implementation of Griffiths, including a timetable for the crucial appointments and decisions which remain to be taken. It would be helpful if your note could also cover the form of

/ the new

the new Griffiths management structure, its inter-relation with existing DHSS administration, and how the new Griffiths team will set about improving the efficiency of the Health Service.

I am copying this letter to David Peretz (HM Treasury), John Graham (Scottish Office), and Colin Jones (Welsh Office).

+ Richard Hasfield

David Barclay

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

PRIME MINISTER

Prime Minister ⁽¹⁾

Agree letter to DHSS

✓ Yes, no at flag A?

DMS
8/6

THE NHS - THE IMPLEMENTATION OF GRIFFITHS

Attached are minutes from the Social Services Secretary and the Chancellor about the appointment of a personnel director of the NHS Management Board.

Mr. Fowler and the Chancellor now agree that:

- (i) the appointment should be for two to three years initially;
- (ii) it should not be linked to any specific civil service grade.

We suggest you support Mr. Fowler on three further points:

- (i) that the possibility of extending this term should be kept open;
- (ii) that there may be a need for flexibility on salary;
- (iii) that the post should be termed "director" rather than "adviser" and regarded as an integral part of the new NHS management board.

But these are really details. There are some much more important general points which need to be underlined.

First, the new Chief Executive, due to be appointed soon, will have views about the best job specification for his Personnel Director. The announcement should be delayed so that the Chief Executive can influence the post and the appointment.

Secondly, the Griffiths Report must lead to the reduction of bureaucracy. Creating new Civil Service posts without any offsetting savings is hardly a good start. The DHSS is not doing very well in achieving its Wardale targets, and there

/is a risk

is a risk that the existing DHSS administrative structure will remain unchanged with the Griffiths managerial structure added to it. Griffiths was at one stage going to lead to a reduction in Civil Service numbers. Is this still true? Can the DHSS spell out a programme for staff savings which, at the very least, match the new recruitment? And more fundamentally, does the existing central DHSS administration still have a role as the Griffiths management structure is set in place?

Implementing Griffiths

Mr Fowler's letter also provides an opportunity for the Prime Minister to ask about the form of the new management structure and the timetable for the implementation of the Griffiths recommendations. The DHSS could cover these questions in the note which Andrew Turnbull commissioned on the recent circular to Health Authorities.

There is a worrying tendency for the DHSS to see the NHS Management Board as an advisory adjunct to the Secretary of State. The management charts in the attached leaflet published on Monday show this all too clearly. If Griffiths is to have teeth - and it needs them - the new managers on the Board need clear lines of communication and influence direct to the RHAs and DHAs. They need the whole-hearted support and delegated authority that can come from a close working relationship with the Secretary of State. RHAs must

not be led to think that they only need deal direct with the Secretary of State, and that his Management Board is some distinct entity to which they are not responsible.

There has also been unreasonable delay in appointing a Chairman, despite interventions by the Prime Minister from time to time. It would be useful to have a timetable for crucial appointments and decisions from now on. This will encourage urgency, make sure that decisions are taken in the right order, and give us a benchmark against which to measure DHSS progress in future.

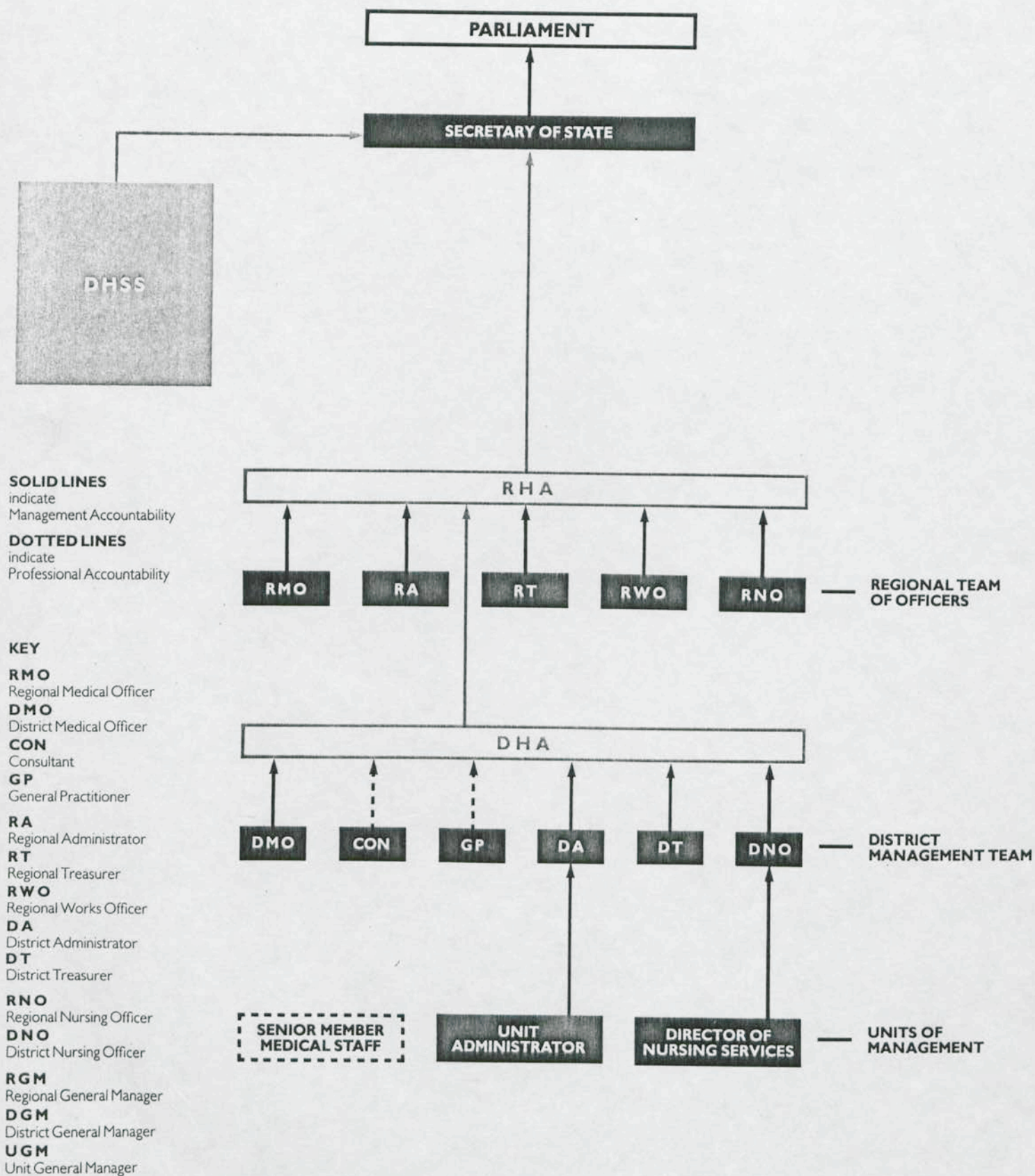
A draft letter is attached.

David Willetts

DAVID WILLETTS

Health Authority Management – The Present

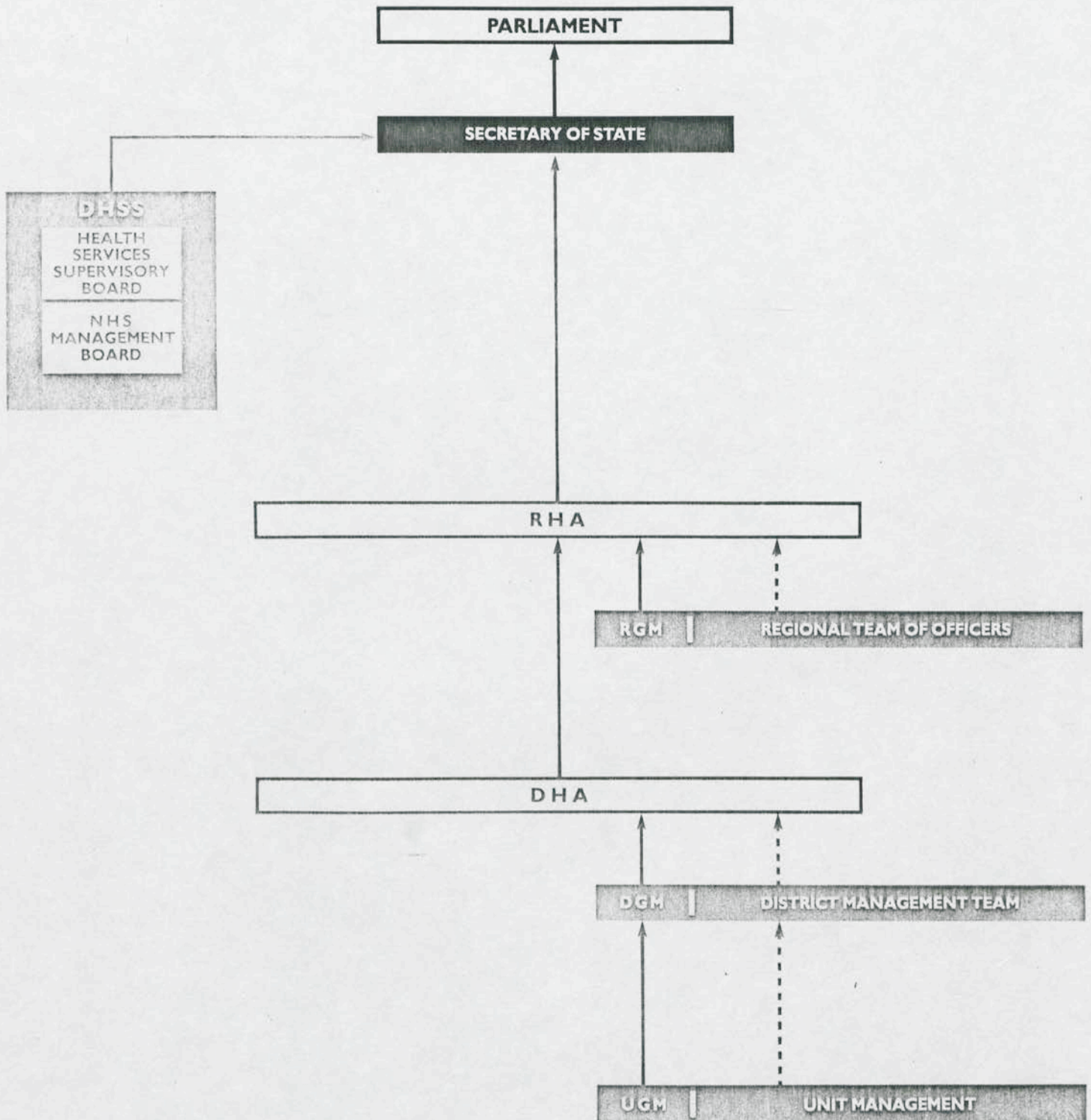
This is a simplified representation of the main present management relationships in Health Authorities and their links with DHSS, the Secretary of State for Social Services and Parliament.



Health Authority Management – The Future

This is a simplified representation of the key future management relationships in Health Authorities and DHSS, how they link to each other, to the Secretary of State for Social Services and to Parliament.

These management developments will all take place within the existing accountability arrangements and statutory framework.





A

10 DOWNING STREET

DRAFT

From the Private Secretary

June 1984

THE NHS - IMPLEMENTATION OF GRIFFITHS

The Prime Minister has seen your Secretary of State's minute to her of 19 May, the Chancellor's minute of 5 June, and your Secretary of State's further minute of 8 June, about the appointment of a Personnel Director of the NHS Management Board.

The Prime Minister welcomes your Secretary of State's determination to carry forward the implementation of the Griffiths recommendations. She has noted his agreement with the Chancellor that the post need not carry any specific civil service grading, and that the initial appointment should be for a period of two or three years. She agrees with your Secretary of State that the possibility of extending this period should be kept open; that there may need to be flexibility as to salary; and that for the reasons set out by your Secretary of State the post should be described as "director" rather than "advisor".

The Prime Minister takes the view, however, that the first priority must be to appoint the Chairman. He can then recommend terms, conditions and candidates for the personnel post. She also believes that the implementation of the Griffiths Report and the creation of any extra posts must be accompanied by savings in the existing burden of DHSS administration. It would look odd if the first steps to reduce overheads involved the creation of new top jobs without the compensating loss of other posts. The Prime Minister would therefore be grateful for a report on your Secretary of State's thinking on the implications of Griffiths for the existing DHSS administrative structure.

The Prime Minister would also be grateful if the note commissioned by Andrew Turnbull in his letter of 4 June could cover wider questions of the implementation of Griffiths, including a timetable for the crucial appointments and decisions which remain to be taken. It would be helpful if your note could also cover the form of

/ the new

the new Griffiths management structure, its inter-relation with existing DHSS administration, and how the new Griffiths team will set about improving the efficiency of the Health Service.

I am copying this letter to David Peretz (HM Treasury).

David Barclay

David Barclay

S.A. Godber, Esq.

MS