19 June 1984

MR BARCLAY

MEETING WITH ROY GRIFFITHS

Roy Griffiths is worried about how the DHSS will implement his report. The meeting is a good opportunity to find out what is going wrong and how to deal with it. I had a useful informal meeting with him on Monday, 18 June, which the Policy Unit had arranged before your meeting.

Roy Griffiths serves on the Secretary of State's NHS Supervisory Board, and on the senior DHSS Committee vetting applicants for the Chief General Manager post. He will not be sitting on the new General Management Board. He is therefore in a tricky position talking to the Prime Minister without DHSS knowledge.

The choice of the new Chief General Manager

This is essential to the implementation of the Griffiths reforms. The appointment has taken far too long. The DHSS have now reduced the field from around 36 names to 3. They are due to be considered by Norman Fowler and Roy Griffiths very soon, and a recommendation will then come to the Prime Minister. It is not fair to judge the candidates at this stage, and Mr Griffiths has not yet interviewed them. But there is a risk that they will not prove up to the mark. If the worst fears are confirmed, then another head-hunt will be necessary; but instead of funnelling candidates up through several layers, any further recruitment process should be short-circuited, and potential candidates put before Norman Fowler promptly. The Prime Minister could ask Mr Griffiths:

- What are the qualities that he is looking for in a new Chief General Manager?
- How soon does he think we might be in a position to appoint one?
- If the current 3 names are not satisfactory, how can we speed up the process?
- Can Mr Griffiths suggest any other candidates?

The new management function and central DHSS administration

Roy Griffiths shares our worry that the DHSS will add a new management function at the centre without shedding any existing administrators. It is important, therefore, that the creation of any new management posts go hand-in-hand with the abolition of administrative posts. And the new Chief Manager must have the power, through the confidence of

LAVAAL

CONFIDENTIAL - 2 -Norman Fowler to achieve independence from DHSS The Prime Minister could ask Mr Griffiths: administrators. What future role does he see for the central administration in the DHSS? What is the best way of ensuring that radical changes in DHSS administration come about? In answer to the second question, Mr Griffiths might argue that the DHSS is not going to be able to restructure itself if the Ministers are all too busy and some of the officials are not keen. He may also suggest that the new Chief Manager will be too preoccupied with the NHS to look at the DHSS as well. The DHSS circular implementing the Griffiths reforms The Prime Minister may wish to ask Mr Griffiths: Is he happy with the DHSS circular, and will it limit the room for manoeuvre of the new Chief General Manager? He may be relaxed about the thrust of the circular, but there remains the key question of timing and the adequacy of the circular alone. The new Personnel Director The Prime Minister could ask: What is the role of the Personnel Director? When should he be appointed? Does Mr Griffiths have any names in mind? Roy Griffiths may agree that no significant steps should be taken either to define the role of the Personnel Director, or to choose an individual until the Chief General Manager was appointed. Wider points Mr Fowler has a tricky task: he is both trying to soothe the fears of the professional interest groups by assuring them that nobody will be riding roughshod over them; and yet, at the same time, he needs to make sure that the report is implemented fully. Are we still on track for achieving a major improvement in NHS management, or are the report and LAVAAL CONFIDENTIAL

recommendation already being eroded (eg appointing a nurse to the Supervisory Board)?

- Why is it taking so long?
- How can the new Chairman assemble an action plan and get a grip on the health authorities?
- How should the PR be handled between Mr Fowler and the new Chairman?
- What is the potential for cost-improvement in the NHS if the report is implemented?
- Are targets going to be set for output and efficiency; and if not, why not?
- Has his experience of the past 6 months led Mr Griffiths to change any of the analysis in his report?

- Are we trying to run the NHS like a Corporation but unbout having to go through legislation and up heaved?

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DAVID WILLETTS