

MASTER

NAT HEALTH: NHS Exp: Pt 3



bc: John Redwood

10 DOWNING STREET

From the Principal Private Secretary

June
29 July 1984

Dear Steve

The Prime Minister discussed the implementation of the Griffiths Report with your Secretary of State today.

The Prime Minister said that she was concerned about the prospect that it might be necessary to pay a six figure sum for the Chairman of the NHS Management Board. She was prepared to pay what was necessary to secure someone of the necessary calibre to do a worthwhile job. But she would need to be satisfied that the people put forward matched this description. She had been concerned by the draft circular on the management of the Health Service and by the organisation chart which accompanied it: the circular seemed to her to contain too much jargon and the organisation chart had not shown the Management Board in a direct line of responsibility between the health authorities and the Secretary of State. She would not wish the Management Board simply to become an additional layer of administration: indeed she hoped that the role and number of the DHSS involved in overseeing the National Health Service would be reduced.

Your Secretary of State said that the Chairman of the NHS Management Board could not be like the chairman of a nationalised industry. Authority over the National Health Service lay with the Secretary of State and the Chairman's authority would derive from the fact that he would be coordinating the various functions of DHSS relating to the Health Service and acting on the Secretary of State's behalf and with his authority. This was a more subtle function, but there was no doubt that the Chairman would be in a position to exercise great influence over the Health Service. The role of the Director of Personnel would also be a crucial one because he would need to reform the Whitley structure which was not well suited in its present form to the management of modern industrial relations in the Health Service. He shared the Prime Minister's belief that it should be possible to reduce further the role and numbers of DHSS staff involved in overseeing the Health Service. But the first step was to get the new structure in operation.

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There was some discussion of possible candidates for the posts of Chairman of the Management Board and Director of Personnel. The Prime Minister wondered whether it would be possible to persuade Mr. Griffiths to take the chairmanship for two years, perhaps on a part-time basis. She would be prepared if necessary to try to persuade Sir John Sainsbury to agree to such an arrangement, which would have the advantage that Mr. Griffiths was the person who would feel most responsible for, and committed to, achieving the results envisaged in his report. She suggested that the best way of finding someone of the right calibre for the post of Personnel Director might be through informal contacts with reliable people in industry rather than through the use of management consultants: she would not rule out the possibility of appointing a civil servant, or former civil servant, to this post if someone of the right calibre was available.

Your Secretary of State undertook to take account of these points in considering the next steps on implementing the Griffiths organisation, which he would be pressing ahead with as quickly as possible in the next few weeks.

I am copying this letter only to Sir Robert Armstrong and Sir Ken Stowe.

Yours ever,

Robin Butler

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

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