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From the Private Secretary

22 February 1988

Dear Geoffrey,

SIR ROY GRIFFITHS' REVIEW OF COMMUNITY CARE

The Prime Minister was grateful for your Secretary of State's minute of 17 February with which he forwarded Sir Roy Griffiths' report on community care.

The Prime Minister agrees that the report gives rise to major difficulties, in particular the role proposed for local authorities. She accepts that it would be difficult to do other than arrange for early publication of the report, in parallel with the report of Lady Wagner's working party on the role of residential care. But she has commented that it is necessary to consider precisely what should be said about the Griffiths report at the time of publication; vague generalities could arouse the wrong expectations. The Prime Minister would therefore be grateful if your Secretary of State could now propose the precise terms of an announcement to accompany publication of the Griffiths report.

I am copying this letter to Alex Allan (HM Treasury), Roger Bright (Department of the Environment) and Jill Rutter (Chief Secretary's Office).

*Yours,
Paul*

(PAUL GRAY)

Geoffrey Podger, Esq.,
Department of Health and Social Security.

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Hospital teams think small to combat NHS 'mayhem'

by Neville Hodgkinson
Medical Correspondent

SENIOR consultants at one of Britain's top teaching hospitals have staged a managerial revolution which they claim could provide a model for a more efficient NHS.

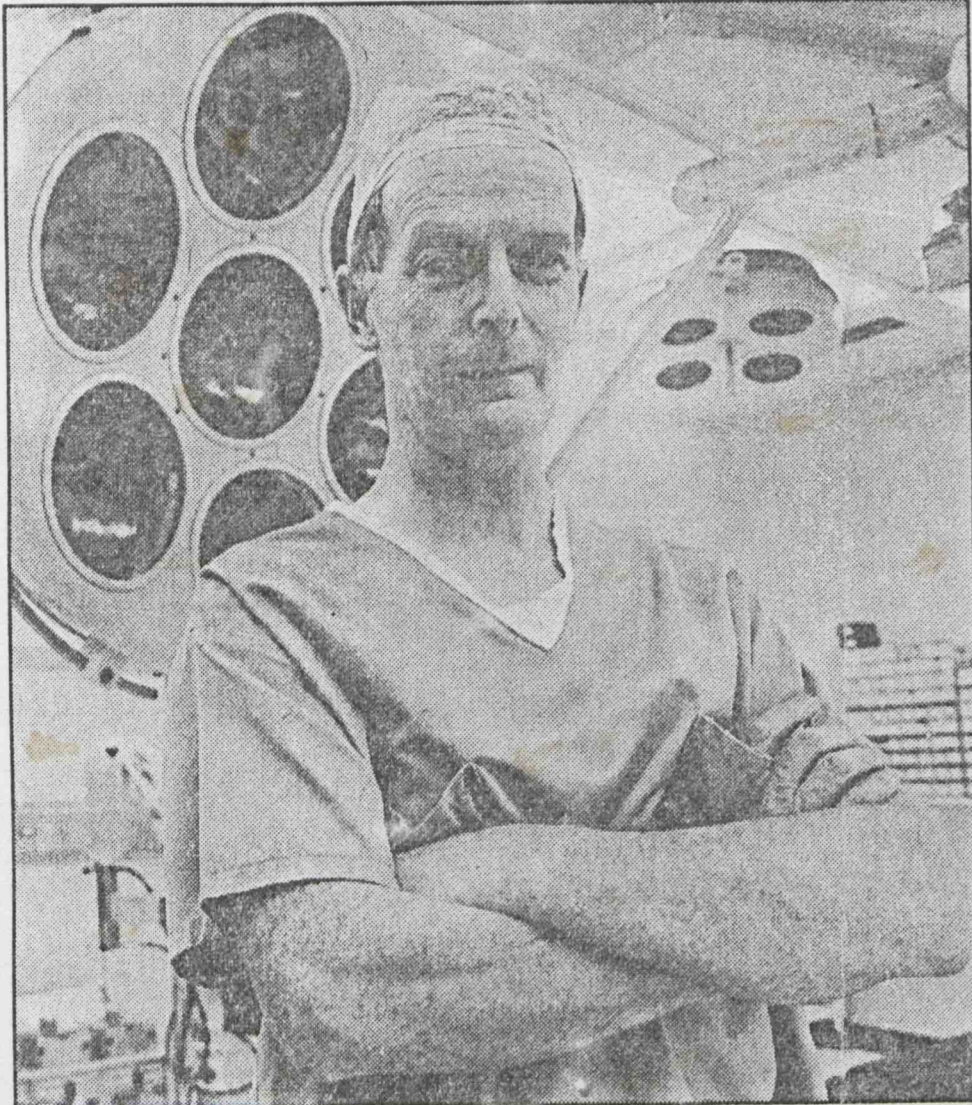
A pioneering deal struck three years ago at Guy's Hospital in southeast London, giving consultants the right to manage the hospital providing they agreed to live within their resources, has now borne fruit.

The result, say the doctors, is that the hospital has been able to meet government economies while minimising the harm to patients. There have also been dramatic benefits, they claim, including:

- A better day-by-day service to patients, with easier admissions, better control over medical records, and cleaner wards.
- Greater continuity between out-patient treatment and in-patient care.
- Much higher morale among staff, because they are better informed and more involved.

The secret of success, says Professor Ian McColl, one of the driving forces behind the change, has been to think small. He believes poor management arising from unwieldy hospital structures, rather than lack of money, is responsible for what he describes as the "mayhem" in the NHS.

"Guy's has nearly 3,000 employees, making it far too big to run as a single hospital," he said. "So we have split it up into smaller, clearly identified units. You then have loyalty within the group, and everyone matters. People here used to feel terribly isolated and had the feeling that nothing mattered. They are now taking a great interest in how the hospital is progressing."



Managerial surgery: McColl in a theatre at Guy's where a revolutionary deal is succeeding

Although a single doctor is in overall charge, the hospital is run as 13 units, rather than one big one. Each relates to a particular medical speciality such as surgery, radiology, neurosciences and so on. A senior consultant in the field heads each directorate, helped by a chief nurse and a business manager. Because the units

are relatively small, the consultant and nurse continue to practise on the wards.

McColl, the director of surgery, says that means they are better able both to "find out what the troops want, and cut through the red tape".

One Friday night he operated on an 86-year-old woman with a life-threatening

hernia by himself, having been told there were not enough theatre staff to admit her. He smuggled the woman into the hospital and operated with a local anaesthetic, by-passing four sets of hospital workers.

Nurses the next day filed a complaint. But it was a "storm in a teacup", McColl says, and he is now exploring ways of

simplifying a wide range of operations.

He believes doctors should be more ready to operate in people's homes and recalls the case of a 94-year-old woman with a breast tumour who refused to go into hospital. She argued that at her age she was unlikely to come out.

"I said to her, 'You know, you are probably quite right. How would you like your operation here in your own bed?' Yes, she said, any time I liked. With an assistant I did it at her home under local anaesthetic. She never turned a hair!"

Doctor-managers are not fooled by their colleagues' arguments about why they should always get more money. As a result, Guy's, in making ends meet, is rare among the teaching hospitals of the Thames health regions, which have been losing millions of pounds through redistribution of NHS resources to traditionally less well provided parts of the country.

The hospital has had to save about £7,700,000 a year, a cut of 13% on its previous budget. It has also been attending to long-standing neglect of its buildings. With a sister hospital in the Guy's group, it has lost 346 beds — a reduction of 28% — and 576 posts, a cut of 17%. The number of patients treated has also fallen, by 8%, but is currently rising again.

Despite the real hardship involved in such cuts, some of the savings have come easily. Lynn Farr, who was appointed by McColl as both senior nurse and business manager in the surgical directorate, found a cache of 2,000 pairs of paper knickers on one of the wards — for men. "Nobody ever questioned what was being bought or stocked," she said. "This was how the health service started overspending. Nobody was accountable to anybody."