



Ref. A089/157

PRIME MINISTER

NHS Review: Central Management of the NHS

--- I attach a note by Mr Wilson about Mr Clarke's minute of
--- 18 January, together with a draft reply for Mr Gray to send.

2. I should like to reinforce what is said in paragraphs 10 and 11 of Mr Wilson's minute about the relationship between the Management Board and the Department. You want the Management Board to have executive responsibility for the operational running of the NHS. Mr Clarke accepts this. So far so good. The issue is the role of the Department.

R.H. A1?
D.H. A1?
3. At present, the officials in the Department are the link with the NHS. There are probably about 2000 (out of 9000 total staff of the Department) who are involved in this way. But the officials are civil servants responsible to the Secretary of State. They are not part of the NHS itself. The Management Board is therefore cocooned between the Secretary of State and the mass of officials below them. This is within

4. To make those officials who are the link between the Department and the NHS truly responsible to the Chief Executive and Management Board for the operations of the NHS would be a much more profound change than Mr Clarke is envisaging. A much greater degree of separation is needed between the role of advising the Secretary of State on policy and the role of being the link between the Management Board and the NHS.



5. Officials discussed with Mr Clarke yesterday more radical changes in the relationship between the Management Board and the Department and suggested that the minute to you should say that these would have to be worked out between the White Paper and the legislation. It is certainly true that, if any substantial change is to be made, such further work needs to be undertaken. The fact that Mr Clarke specifically rejected the recommendation of saying in his letter that further work would be needed indicates that he does not have in view any radical change. If, therefore, you want such a change to be made, you will need to insist that more radical work is undertaken.

R.R.B.

ROBIN BUTLER

19 January 1989

This would do. An attempt is being made to have the whole structure on the basis of the department to keep 9000 staff when it needs only about a quarter of that number to serve the J.P.S. — We shall have to commission more work & delay the White Paper if necessary. The whole thing is a terrible mess.