

C.F.M.



Prime Minister

Prime Minister

\*  
I gather from DHSS  
that ~~Sir~~ Derek Rayner  
also supports Mr  
Griffiths

Agree to these proposals?

(Sir R Armstrong and Alan

Walters support Mr Griffiths'

appointment: see their attached

notes) MCS 28/1

MANAGEMENT INQUIRY INTO NHS MANPOWER

A good job

Earlier minutes set out my proposal for a Management Inquiry into the use and control of Manpower in the National Health Service. I have concluded that the right man to head the Inquiry is Roy Griffiths, the Managing Director and Deputy Chairman of Sainsburys. My view of his suitability is confirmed by Derek Rayner and by Sir John Sainsbury, who is ready to release him part-time. I am glad to say he has agreed to take on this task.

Following discussion with Mr Griffiths I propose and he agrees that he should be assisted (initially at least) by three businessmen, working part-time, and that one of these should be an immediate past Chairman of an NHS Authority. My proposals for these are:

- Mr Michael Bett - Board Member for Personnel, British Telecom;
- Mr Jim Blyth - Group Finance Director, United Biscuits;
- Sir Brian Bailey - Formerly Chairman of South Western Regional Health Authority.

The businessmen will be supported by a small full-time staff led by a DHSS Assistant Secretary and including both health service experience and private sector expertise.

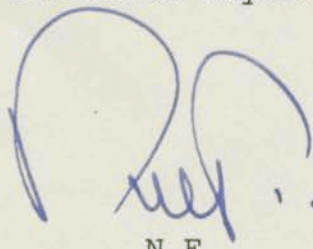
I have given Mr Griffiths and his team a detailed brief and I enclose a copy. As you know, they are not to prepare a formal report nor will they act in any way like a Royal

Commission or Committee of Enquiry; rather they will be my advisers, probing into what more we need to do, within existing resources, to secure the most effective use and management of NHS manpower and keep a tight control on numbers. As you will see from the attached brief, I have already set them a number of detailed questions on manpower, but I will also expect businessmen of this high managerial competence to take a searching look at those general management issues underlying our present concerns. For example, to see how the manpower requirements are generated and controlled they may need to probe how the NHS sets its service plans and objectives and how the tempo of activities is controlled. They will also examine the possibilities of substituting other resources for manpower, and look at related personnel management and industrial relations issues.

I envisage that Mr Griffiths and his team will go about their task by identifying major management issues which individual members will enquire into with the support of full time staff and, where necessary, of management consultants if they so choose. Mr Griffiths will then feed back advice as their enquiries proceed, on timetables agreed with me, so that they can make an early impact on our management of the NHS. I have asked him, in any event, to advise me on progress by the end of June.

I aim to announce the setting up of the inquiry team next week by inspired Written Answer accompanied by a press statement.

I am copying this minute to the Secretaries of State for Scotland, Wales and Northern Ireland, the Chief Secretary, Sir Robert Armstrong and Sir Derek Rayner.



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27 January 1983

## MANAGEMENT INQUIRY INTO NHS MANPOWER

The reason for appointing a team

1. The Government has taken action to streamline NHS organisation, strengthen local management and eliminate unnecessary bureaucracy. Over the last year the Secretary of State has taken further initiatives to strengthen the use and control of manpower - through timely supply of manpower information on a quarterly basis (from a now fully computerised information system), new arrangements for setting health authority manpower targets within a strengthened system for setting objectives and securing accountability for their achievement.
2. He has not however been able to allay concern over NHS manpower levels and he is not yet satisfied himself that enough has been done. He has accordingly announced his intention to appoint a small team of people from industry to carry out a management inquiry into the use and control of manpower.
3. The team will help the Secretary of State and the Department in carrying out their strategic functions for deciding the resources to be allocated to the NHS, for setting strategic objectives and establishing systems to secure those objectives.
4. It will build on initiatives already taken, will help Ministers to use the systems already established and advise on what changes are needed.
5. The team will undertake a closely focussed management inquiry and not a wide ranging, deliberative inquiry. Nor will it be a further review of the organisation of the NHS.
6. It is not intended to change the key management role of the new District Health Authorities. They will remain fully responsible for managing the resources allocated to them.
7. The inquiry, although not concerned primarily with the role of the region, may have changes to suggest in the regional planning, monitoring and accountability functions.
8. The inquiry will be separate from but will need to take account of the various initiatives designed to help NHS management (eg the Rayner scrutinies and pilot schemes for a management advisory service) and may have views on the future pattern of central and regional initiatives.

Questions to be answered

9. The detailed questions to be considered by the inquiry will be for discussion with the person appointed to lead the team. But it is expected to give an independent view on some or all of the following:
  - a. To what extent the hospital and community health services are over-manned and where;
  - b. What more should be done by the Secretary of State and by the services to identify and correct over-manning and on what time scale;
  - c. How fast will this produce savings which can be redeployed on such purposes as Ministers decide;

In particular

- d. What would be realistic targets to set for different staff groups (i) in the period up to 1984-85; (ii) in the longer term;

More specifically

- e. How should the Department deal with the regional manpower targets for March 1984 due to be submitted by March 1983.
- f. What are the main processes by which targets should be set and their achievement secured and what action should be taken by the Secretary of State and the Department to help in those processes;
- g. What are the processes by which manpower levels for later years should be decided and what guidance should be given to the NHS;
- h. What are the implications for industrial relations and how should these be handled.

Methods of proceeding

10. The Chairman and the team will need to consider the approaches to be adopted but these may include:-

- a. Reviewing existing management and control systems and the work that the Department and health authorities have already done in promoting efficiency including
- i. Study of the use of resources in the NHS and reasons for increases in staff;
  - ii. Experience with setting targets for efficiency savings;
  - iii. The progress with use of performance indicators;
  - iv. Experience of annual reviews of performance;
  - v. The new manpower returns;
  - vi. Any findings emerging from management advisory services studies and Rayner scrutinies.
- b. Discussion with Health authority chairmen of the problems as they see them and of any help they need.
- c. More generally, obtaining views from the NHS, health authorities, professional organisations and trade unions (it will be necessary to keep this part of the exercise within manageable limits and avoid duplicating, for example, the work of the Royal Commission);
- d. Considering external criticism from Members of Parliament and others;
- e. Carrying out sample enquiries in particular districts to find out how manpower levels have been arrived at, what the reasons are for growth, how well justified they are, what the arrangements are for review and what would be the likely consequences of reducing manpower levels.

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11. The team will have direct access to the Secretary of State, Minister for Health and Senior officials. We envisage that it will work closely with them in reviewing and developing initiatives and it will feed in ideas and advice as it goes along.

Membership of team

12. Membership will be discussed with the chairman but we envisage it will include a small number of people from industry at board member or second-in-line level with a mixture of general management, finance and personnel experience. (The precise number may depend in part on how much time the individuals can give).

A staff officer has been selected to organise departmental support for the team.

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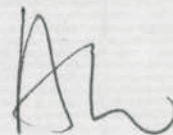
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MR. SCHOLAR

I would strongly support the appointment of Roy Griffiths, Deputy Chairman and Managing Director of Sainsbury's, to Chair the Management Inquiry into NHS manpower. I have seen Roy Griffiths on a number of occasions and have talked to him at length over the past two years. He should be an excellent appointment, perhaps one of the best we can make.

A handwritten signature in dark ink, consisting of a large, stylized 'A' followed by a cursive 'W'.

27 January 1983

ALAN WALTERS



Ref. A083/0275

MR SCHOLAR

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*MCS 20/12/82*

You are expecting a submission from the Secretary of State for Social Services, recommending the appointment of Mr Roy Griffiths, the Deputy Chairman and Managing Director of J Sainsbury Ltd to chair the management inquiry into NHS manpower.

2. From all I know of Mr Griffiths he should be an admirable choice, and I recommend the Prime Minister to approve his appointment.

ROBERT ARMSTRONG

25 January 1983

CONFIDENTIAL

PA

cc DW  
FM

Mr SCHOLAR

cc for information

Mrs Brown (PS/LPS)  
Sir Robert Armstrong  
Mr Cassels  
Mr Peterson

MANAGEMENT INQUIRY INTO NHS MANPOWER

As I mentioned when we met by chance at lunch-time, the Secretary of State for Social Services has obtained the agreement of Mr Roy Criffiths, the Deputy Chairman and Managing Director of J Sainsbury Ltd, to chair the inquiry, subject to the approval of the Prime Minister. Sainsbury's are keen for Mr Griffiths to undertake this assignment.

2. A submission will be coming forward from the Department to you later this week. Please let me know if you need advice on the coverage and presentation of the inquiry.

3. You may like to know that Mr Fowler's first choice as chairman, Mr Basil Collins, backed out because he thought that an inquiry now would cause more disaffection within the NHS and much political trouble. While making up his mind, he saw Sir Derek Rayner, who told him that the subject was important; that DHSS would provide him with the support he needed; that the issues were not party issues; and that as they must be tackled some time, they might as well be tackled now. Sir Derek's conclusion was that a failure to secure Mr Collins's services would not be disastrous to the enterprise.

4. Sir Derek has made enquiries - necessarily oblique - about Mr Griffiths, who is in effect his oppositenumber at Sainsbury's and whom he does not know personally. His view is that Mr Griffiths, being a senior man in a successful and dynamic company, must have contributed to that success and dynamism and be a person of substance.

5. On the presentation and substance of the inquiry you may like to know that Sir Derek Rayner takes the view that:

- (1) There is the risk of an adverse reaction if the inquiry is set up on the explicit assumption that there is over-manning in the NHS.



(2) Given the importance of getting to grips with the issues, which can be slippery and elusive if dealt with on the basis of conflicting opinions, there is much to be said for testing them on the ground by means of scrutiny-type inquiries; and for making the maximum possible use of people within the NHS of good experience and instinct for this purpose.

6. Both these points have been made to DHSS.

SP

C PRIESTLEY  
17 January 1983