

APPOINTMENTS IN CONFIDENCE

✓ OK.
GRO-C
14/11.

1. Mr Fisher) Approval re 2 members sought before 25 November
2. Mr Langsdon) please; and if PS(H) and PS(L) agree
3. Mr Laurance, (Secretary of State to approve reappointment of Chairman
(before 25 November if possible please

CHAIRMAN AND MEMBERSHIP OF THE CENTRAL BLOOD LABORATORIES AUTHORITY (CBLA)

Summary

This submission invites Ministers to agree a) to the reappointment of Mr David Smart as Chairman for two years only; b) that Mr Duncan Thomas be reappointed as a member for 4 years, c) Mr Arthur Jerwood not be reappointed as a member; and d) to note officials' proposals for seeking a new Chairman and additional members.

Background

2. The CBLA is a Special Health Authority set up in 1982 whose task is to provide an effective management body for the three central blood laboratories. These consist of the Blood Group Reference Laboratory (BGRL) and Plasma Fractionation Laboratory (PFL) which are both at Oxford, together with the Blood Products Laboratory (BPL) at Elstree. The remit of BPL and BGRL is given at Annex A. In brief the CBLA is an in-house pharmaceutical concern acting as the manufacturing arm of the Blood Transfusion Service; and providing other Health Authorities with products derived from human blood and related services.

The current composition of the Authority is set out at Annex B.

Present Chairman

3. The present Chairman, Mr David Smart, was appointed in 1982 for a four year term which expires on 30 November. He is now 64 nearly 65. This post attracts the normal Health Authority Chairman's honorarium.

4. The overall performance of the authority members has been disappointing. A major example of this concerns their management of the capital project for the new Blood Products Laboratory which has suffered from significant escalation of costs and a delay in completion. The management structure of the Authority has been lacking in terms of both quality and quantity but the impetus for reform came from DHSS not CBLA. In essence the leadership expected of them has not been forthcoming.

Strengthening the Authority

5. The full-time management of CBLA is now being strengthened. However Authority members have a necessary role in advancing this objective. The new executives will need the support and guidance of a strong Authority and the appointment of a Chairman capable of giving the essential leadership is vital.

Proposal re Chairman

6. Mr Smart has an autocratic style which has not brought out the best from the other members, many of whom are experienced businessmen who also serve as Health Authority members. Two, Messrs Secombe and Walker are chairman of an RHA and DHA respectively.

7. It is therefore proposed that he is not appointed for a further 4 years. In any event he would be nearly 70 at the end of such a spell which is not desirable in **itself**. However there is no obvious successor. Neither of the two existing HA Chairman have shown themselves to be suitable and although they might blossom outside Mr Smart's shadow they probably lack the time.

8. We are therefore engaged in an exercise to identify prospective members of whom we hope 2 or 3 may have the potential to be Chairman. This exercise is not completed. When it is further proposals will be put to Ministers. There will then be a need for a period in which the performance of these new members is monitored and assessed for chairmanship potential. It is therefore proposed that Mr Smart be asked to serve for two more years. This will also help to give the Authority stability whilst a new chief executive plays himself in. To reappoint him for less than two years might well be taken as a slight.

Letter to Mr Smart

9. A draft letter for Secretary of State to send to Mr Smart is appended.

Dr Duncan Thomas

10. The term of office of Dr Duncan Thomas expires on 30 November. A draft letter is attached. It is recommended that Dr Thomas is reappointed. He provides a link between the Authority and the National Institute of Biological Standards and Control which will be crucial to the Authority's efforts to get product licenses under the Medicines Act; and whilst Crown Immunity is still relied upon provides a line useful counter to any criticism on this front.

Mr Arthur Jerwood

11. The term of another Authority member also expires on 30 November. Mr Jerwood is 64 rising 65. He has served as Vice Chairman. As chairman of the Project Control Committee for the rebuilding scheme he has not, in our view, done all he could to minimise the escalation of costs. Such steps as have been taken have been at the Department's suggestion. His background in finance has not led him to press for improvements in the Authority's shaky financial control. He is not in the best of health and this may be a contributory factor. A draft letter is attached for PS(H) to send. His replacement will be found during the exercise described above. ✓

Timing

12. The next Authority meeting is on 25 November. As a matter of courtesy Mr Jerwood should be in a position to say his farewells. Ideally Dr Thomas and Mr Smart should know their position at the same time.

Advice Sought

13. a) Are PS(H) and PS(L) content to reappoint Dr Thomas and not reappoint Mr Jerwood.
- b) Are PS(H) and PS(L) content with the proposals to seek new members with the proposal re the Chairman.
- c) Is Secretary of State content to reappoint the Chairman for 2 years.

GRO-C

M A HARRIS
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11 November 1986

cc

Mr Slater
Mr Walden
Mr Podger ✓
Mr Heppell
Mr Hart
Dr Harris
Mr Cashman
Dr Smithies
Mr James
Dr Moore

The main tasks of the Blood Products Laboratory and the Plasma Fractionation Laboratory are:-

- i. to prepare plasma fractions for therapeutic, diagnostic and other use in accordance with the requirements of Good Manufacturing Practice and in the quantities that management shall from time to time determine;
- ii. to undertake research and development in plasma protein fractionation and related fields, production technology, and plant design;
- iii. to undertake such other activities, including collaboration with industry, as can in the Secretary of State's opinion conveniently be carried on in conjunction with the foregoing.

The Blood Group Reference Laboratory's main tasks are:-

- i. to manufacture blood grouping and related reagents for use in the NHS where such manufacture can be justified on cost or other grounds;
- ii. to carry out reference functions in respect of
 - a. the National External Quality Assessment Scheme for Blood Transfusion; (there is a plan to make this function elsewhere in view of this being unsuitable for a manufacturer to operate).
 - b. blood cell and related serology for clinical purposes;
 - c. World Health Organisation activity;
- iii. to undertake such other activities, including collaboration with industry, as can, in the Secretary of State's opinion, conveniently be carried on in conjunction with the foregoing.

CENTRAL BLOOD LABORATORIES AUTHORITY (CBLA)

Chairman:

Mr R David Smart, CBE, former Commercial Director of Glaxo Holdings (appointed until 30 November 1986)

Members:

Dr Harold Gunson, Director of North Western Blood Transfusion Centre and CMO's Consultant Adviser on Blood Transfusion (appointed until 30 November 1988)

Mr Arthur Jerwood, formerly of Merck, Sharpe and Dohme Holdings and active in the ABPI (appointed until 30 November 1986)

Mr Vernon Seccombe, aged 57, Chairman of South Western RHA, and proprietor of an electrical contracting company. (appointed until 30 May 1989)

Mr Duncan Thomas, Head of Blood Products Division at National Institute of Biological Standards and Controls (appointed until 30 November 1986)

Mr Colin Walker, aged 51, member of East Anglia RHA, and managing director of a farming company. (appointed until 30 May 1989)

Mr Geoffrey Wilson, aged 58, member of Bradford HA and recently retired financial director of wool textile group. (appointed until 30 May 1989)

Mr Ronald Wing, aged 55, member of East Yorkshire HA, Chairman of Labaz - Savofi, pharmaceutical company. Recent past president of the Association of British Pharmaceutical Industries. (appointed until 30 May 1989)