

BLOOD

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MANAGEMENT - IN CONFIDENCE

**Minutes of the Regional Chairmen's Private Meeting held on 22nd September 1992
at Stakis St Ermin's Hotel, Caxton Street, London SW1.**

Present:

- Sir Michael Carlisle - Chairman
- Sir James Ackers
- Mr Dennis Allison
- Sir Bryan Askew
- Mr Peter Barker
- Sir Robin Buchanan
- Dr Stuart Burgess
- Mr Peter Carr
- Mr Tim Chessells
- Sir William Doughty
- Ms Rennie Fritchie
- Mr Gerry Green (Item 5 only)
- Prof. Marian Hicks
- Sir Bruce Martin
- Sir Colin Walker
- Sir Donald Wilson
- Mr David Blythe

1. **Welcome**

The Chairman welcomed Professor Marian Hicks to her first meeting of Regional Chairmen and congratulated her on her appointment as Chair of South West Thames RHA.

2. **Chairman's Report**

Sir Michael Carlisle reported Prof. Peckham would be coming to Chairmen's private meeting in November to discuss progress in R&D. The Chief Medical Officer had also agreed to attend Chairmen's meeting with the Secretary of State in November to make a presentation on medical policy issues.

Chairmen also agreed that in addition to taking Baroness Cumberlege's place on the Ministerial Working Group on Junior Doctors Hours, Peter Barker should also take her place on the Ministerial Group on 'Achieving a Balance'.

ACTION: Secretariat

3. **Minutes**

The minutes of the meeting held on 14th July 1992, copies of which had been circulated, were agreed as a correct record.

4. **Matters Arising**

a) **Chairmen's Lead Responsibilities**

It was agreed that Sir William Doughty would take forward the work on Chairmen's lead responsibilities in conjunction with Sir Bruce Martin.

ACTION: Sir William Doughty; Sir Bruce Martin

b) **Joint Meeting with NHSME/RGMs in October**

Chairmen agreed that it would be helpful for Sir William Doughty to make contact with Brian Edwards and Duncan Nichol in the near future to plan the agenda for the joint meeting to be held on 20th October. It was noted that the provisional list of topics included:-

Capital
Health of the Nation
HAS
Appointment of Non-Executive Directors
London

ACTION: Sir William Doughty

c) **Forward Agenda Planning**

Sir William Doughty reported his intention of setting up a small group of Chairmen to help him with forward agenda planning.

ACTION: Sir William Doughty

d) **Roles and Relationships**

Sir Michael Carlisle reported on the discussions which had taken place involving Tim Chessells, Sir Bruce Martin, Chris Spry, Alan Langlands and himself. The final paper had been submitted to the Secretary of State on 15th September and copies were tabled for the information of Chairmen. To-date, no response had been received from the Secretary of State and it was anticipated that this would be discussed informally over dinner. It was also not yet clear when the Secretary of State was likely to make a decision and announcement about the future of the intermediate tier. Chairmen agreed to stress the advantages of an early decision to the Secretary of State, bearing in mind her recent dinner conversation with RGMs.

5. **Dentistry - Review by Sir Kenneth Bloomfield**

The Chairman welcomed Gerry Green for this item and explained that Sir James Ackers and Gerry Green would be working together to prepare a single joint response on behalf of all Chairmen and RGMs to Sir Kenneth Bloomfield.

Sir James Ackers suggested that it was essential for the Government to look at the place of dentistry in the NHS and not just to look at dental remuneration. In the past, dentistry had not been managed as part of the mainstream of the NHS and it appeared, for example, that the current review was outside the remit of the NHSME. He hoped that it would be possible to adopt a radical new approach and that the outcome of the review would be more than just a tinkering with the present system.

Gerry Green referred to the letter from Sir Kenneth Bloomfield inviting a submission from Regional Chairmen and to his own position as a member of the advisory panel to Sir Kenneth. He also drew attention to the main points in his letter to Derek Warlow (copies of which had been circulated), stressing in particular:-

- the advantages of a population based view of the Dental Service and the need for Dental Public Health expertise
- the need for some more local mechanism of fiscal accountability for dentists
- the need to define what constituted a core dental service within the NHS
- the need for caution about salaried dentists (e.g. how could capital be made available to enable them to set up in practice?)

He suggested that there were perhaps 4 main options to be considered in looking to the future and he explained that the Department of Health was interested in undertaking some 'modelling' work in connection with the following ideas:-

- (i) An NHS 'DENPLAN'.
- (ii) Purchaser/Provider split operating on a contractual basis.
- (iii) Salary plus bonus.
- (iv) Radical Tinkering.

In discussion, Chairmen supported Gerry Green's analysis of the problem and the 4 main options, expressing a preference for further work to concentrate particularly on the first two options. They noted that to-date the threat of withdrawal by dentists of withdrawal from NHS work had had only limited effect; they also noted

the need to resolve the short term issue of the over payment under the new dental contract in order to facilitate discussion of longer term more radical solutions.

ACTION: Sir James Ackers; Gerry Green

6. Agenda for Meeting with Secretary of State

i) **Matters Arising from the Minutes of the Meeting held on 15/7/92**

a) Patient's Charter

Chairmen reconfirmed their support for the Patient's Charter; it was anticipated that the very small number of patients still waiting over two years would be offered treatment very shortly.

b) London

Chairmen agreed to seek clarification of the date of publication of the Tomlinson report.

ii) **Q1 - Finance and Activity Data RHAC(92)10 & RGM(92)43**

Chairmen noted that the main points likely to be raised were:-

a) Activity forecasts for 1992/93 were below Treasury expectations and it had been suggested that too much money had been allocated to non-activity producing Category C items.

b) the number of DMUs in deficit at final outturn stage was significantly greater than the number forecast at the end of the final quarter; this had raised questions about the quality and accuracy of interim financial reports.

They agreed that Tim Chessells should lead the discussion with the Secretary of State and made a number of points:-

- not enough recognition appeared to be given to non-acute activity
- although activity numbers were said to be below Treasury expectations they were in fact in line with the numbers agreed by PMD in regional corporate plans
- the efficiency index was still a very crude tool of measurement and appeared to contain a number of perverse incentives
- accurate and consistent counting to a common baseline was essential for both DMUs and Trusts

- more attention should be given to quality offsets

iii) **GP Prescribing RHAC(92)11**

Chairmen noted the 25% increase in the drugs bill over the two years 1991/92 and 1992/93, and the current action planned to address this and policy initiatives being considered for the future, e.g.:-

- action on prices via the Pharmaceutical Price Regulation Scheme
- extensions to the selected list
- action to increase the proportion of generic prescribing
- changes to the indicative prescribing scheme, including revised budget setting and practice based incentives schemes for non-fundholders

In supporting the proposed action, Chairmen also made a number of comments, including:-

- the scope for better purchasing of drugs if the Supplies Authority were to have its remit extended to cover drugs
- the large profit made by drug companies and their very high expenditure on marketing
- the differential cost between hospital and GP prescribing
- the need for more locally agreed prescribing protocols

iv) **National Blood Authority RGM(92)52**

Sir Colin Walker commended the above paper to Chairmen and spoke in support of the proposal to establish a single National Blood Authority which would directly manage Regional Transfusion Centres as well as the National Directorate, the Bio Products Laboratory and the International Blood Groups Reference Laboratory. Following the discussion of the paper by RGMs, however, he understood that the Department was looking again to see whether it would be possible at some point in the future for RTCs to be granted Trust status with full local management. The paper also reconfirmed Government policy of national self-sufficiency based on collection from unpaid donors. He pointed out, however, that safe and fully tested blood products could now be bought more cheaply from abroad and unless the home product was subsidised in some way, provider units may well begin to purchase the overseas product. It was essential, therefore, for RTCs to be managed effectively and for the collection and processing of blood to be as cost effective as possible and properly separated from other RTC activities such as research.

Chairmen pointed out that the cost of imported blood products would depend on the current exchange rate and some reservations were expressed about the quality and safety of overseas products. They also expressed some reservations about the ability of a single authority to manage all RTCs from the centre; they felt that it was essential for there to be effective competition between RTCs and in time it may be that the less effective RTCs would close.

Stuart Burgess reassured Chairmen about the safety of imported blood products; there was now rigorous testing in the US both of the donors and of the product. He pointed out that 'industrialised' methods of collection used in other countries were considerably more efficient than the voluntary donor system.

After careful consideration, Chairmen supported:

- the establishment of a single National Blood Authority
- the continuation of the policy of voluntary donors
- centrally directed RTCs but with proper competition and the ability to move in time to either Trust or some other arms-length agency status
- subsidising in the short term the home product

v) **Community Care** **RGM(92)48**

Chairmen noted the above paper and the work being done by the Support Force. Chairmen agreed to ask the Secretary of State:-

- for advance notification of the programme of visits by the Support Force
- for clarification as to the timing of decisions on the quantum of money to be made available to LAs

Chairmen were also pleased to note that Rennie Fritchie had agreed to take a lead role in this area.

vi) **Any Other Business**

(a) **Capital**

Tim Chessells updated Chairmen on progress in the Steering Group and suggested this was likely to be a major topic for joint discussion with RGMs and the NHSME on 20th October. Chairmen noted that for next year it would be inevitable for the capital allocation process to remain very much on an ad hoc basis. Attention was also drawn to the implications for capital allocations in London arising from Tomlinson; if money had initially to be top-sliced for London, losing regions would expect to be repaid later as land

sales in London came on stream following capital investment. Tim Chessells indicated that the ad hoc group of Chairmen and RGMs looking at PES had identified this as a problem area which should be flagged up with Ministers and about which Chairmen and RGMs would need to be fully consulted. It was agreed to raise this issue informally over dinner with the Secretary of State.

(b) PES

Tim Chessells outlined his current understanding of the PES negotiations and the likelihood of a very tight settlement this year for the NHS. This would have considerable implications in a number of key policy areas, including the pace of change to weighted capitation. It was also very difficult to prepare firm plans and contracts for 1993/94 in view of the uncertainty surrounding the financial situation. Chairmen agreed to pursue these points informally over dinner with the Secretary of State.

7. Pay and Personnel Issues

Sir William Doughty drew attention to the main points in his paper on the following topics:-

1992 Pay Negotiations
Performance Reward
Distinction Awards
DDRB
Nurse Clinical Grading

He also reported on the present status of negotiations with the Treasury on the September pay uplift for general and senior managers. Chairmen supported the strong representations being made and looked forward to an early announcement. Attention was also drawn to the growing imbalance between managers pay in Trusts and the pay levels of GPs in purchasing authorities.

Chairmen were also pleased to note that Sir Bryan Askew had agreed to take over the Chairmanship of the Pay and Personnel Group and that Rennie Fritchie had agreed to Chair the Advisory Group on Nursing.

8. Legal Issues

Sir Bruce Martin gave a brief report on the position with regard to a number of outstanding AIDS cases which were due to come to court in mid October. He promised to keep in direct contact with the 3 Chairmen involved and Chairmen gave their full support for the action being taken.

Sir Robin Buchanan also gave a brief report on the recent case of Dr Cox in Winchester.

9. RHA HQ Staffing Figures RGM(92)53

Chairmen noted that the above paper was to be discussed in detail by RGMs at a special meeting. They drew attention to the difficulties of making effective comparisons and of ensuring that like was being compared with like. Rennie Fritchie drew attention, for example, to the inclusion of NHSTD staff in the figures for the South Western region.

Chairmen agreed that caution should be exercised before taking decisions based on these numbers; it was also essential to ensure that authorities were adequately staffed to meet their proper responsibilities. There was also a need for the centre to review its own staffing levels in parallel with any regional reviews. This could clearly only be properly reviewed in the light of decisions about the intermediate tier.

10. Report of RGMs/NHSME Meetings

Dennis Allison drew attention to the main points in the minutes of the RGMs/NHSME Business meeting of 10th September 1992, copies of which were tabled. He mentioned in particular the discussion on Q1 and 4th Wave Trusts.

He also outlined the key elements of the strategic discussion on capital held on 11th September and suggested that ad hoc arrangements may need to continue for 2 more capital allocation cycles, recognising that outposts were likely to continue to exist at least until the end of 1993/94.

11. Future Agenda Items

No specific items were proposed but Sir William Doughty reminded Chairmen of his proposal to set up a small group to help him with forward agenda planning.

12. Sir Michael Carlisle

Chairmen made a small presentation to Sir Michael Carlisle in recognition of his leadership during his term as Chairman of Chairmen. Sir Michael Carlisle thanked Chairmen for their kind words and generous gift.

13. Date of Next Meeting

12.30 for 1.00 pm - 20th October 1992 - Joint Meeting with RGMs/NHSME.