

NBA 1  
NBA 6

POLICY - IN CONFIDENCE

Roger Scofield, HC(A)4

FROM: Richard Armstrong, PS  
to PS(H)

DATE: 30 July 1992

COPY: Mr Malone-Lee  
Mr Heppell  
Dr Metters, DCMO  
Dr Walford, DCMO  
Dr Reed, HC(M)  
Mr Dobson, FCIA2  
Mr Milledge, SOLC2  
Dr Rejman, HC(M)2  
Mr Canavan, CA.OPU2

NATIONAL BLOOD AUTHORITY

PS(H) has seen your submission of 24 July with recommendations on setting up the National Blood Authority (NBA). PS(H) is broadly content with the proposals set out in paragraph 27 of the submission and consequential actions in paragraph 28. He does however have one or two comments on specific points contained in your submission.

Para 9, PS(H) is very strongly in favour of the NBA having direct management of the Regional Transfusion Centres. However, he is unsure whether it is necessary for a specific joint DH/NBA planning and implementation group.

With regard to BPL's role within the NBA (para 12) PS(H) has commented:

"I prefer independent status, so long as we have agreement on BPL being charged for plasma. Perhaps world spot (price?) - what effect would this have for the rest of the NHS?"

PS(H) does recognise that independent status for BPL will be some years off: in the meantime, he would wish to encourage CBLA to seek agency status in the not too distant future.

With regard to the future location of the NBA, PS(H) sees particular reason why the new authority should not be located in Manchester. Finally, PS(H) has asked to be kept informed of the interest being shown by the Office of Fair Trading (OFT) into BPL. He would appreciate some first thoughts from solicitors over the possible legal implications resulting from an OFT investigation.

Apart from these points PS(H) is content for officials to proceed with the actions proposed in para 28 (a-g).

GRO-C

RICHARD ARMSTRONG  
414 RH

GRO-C

1604

Mr Malone-Lee

From: Roger Scofield CA.OPU

Date: 21 August 1992

## NATIONAL BLOOD AUTHORITY

Introduction

1. I am not sure whether you have had opportunity to see Richard Armstrong's minute of 30 July in which he confirms PS(H)'s acceptance of the recommendations and actions proposed in my submission of 24 July whilst adding a number of significant comments of his own. I attach the minute for reference.

2. In addition to accepting the general recommendations of the Technical Working Group, PS(H) has directed that

- i) the NBA should directly manage the RTCs;
- ii) BPL should have independent status, although this may be some years off - meanwhile they should be encouraged to seek Agency status;
- iii) the location of the NBA should definitely not be in Manchester;
- iv) further work should be done to identify possible legal implications resulting from an OPT investigation.

From our point of view this represents a very satisfactory outcome.

Meeting with Regional General Managers

3. I attach for your agreement a draft paper for the ME:RGMs meeting 10 September to inform the RGMs of these developments and to seek their comments. I also attach a draft note for you to present the RGMs paper for agreement by ME Directors. The 1 September meeting has been cancelled so you will need to do this by correspondence. These papers have been cleared by Finance, Solicitors, PMD and PD. The ME:RGM's paper is required in CE's office by 1 September at the latest.

4. The paper to the RGMs concentrates on the overall strategic planning and direct management of the RTCs. It does not discuss the future independence of BPL. This is deliberate insofar that the RGMs are less concerned with the detailed operation of the BPL and it might be in any event unfortunate to show that at the very time BPL was being set free the RTCs were being brought under central direction. This aspect might be better dealt with in discussion but there seems no advantage in spelling it out in the paper itself. Similarly, on the advice of David Hewlett, we have softened any mention of the future role of RHAs as being a contributory factor in deciding on direct rule. You might wish to cover that point in introducing the paper.



#### Briefing of MBTS and CBLA

5. So far the Ministerial decision has been treated in confidence. We have nevertheless consulted informally and on a personal basis with Harold Gunson (MBTS), Barry Savery (CBLA) and Richard Walker (BPL). They were authorised to speak off the record to Ron Wing who has since telephoned me, saying that he is very satisfied with the outcome of the Ministerial discussions and CBLA will support the Department in every way during the implementation phase. Harold Gunson is 'over the moon' and "can hardly believe that he will live to see the day..." I have already tasked Harold Gunson and Barry Savery with working up costs for the various phases and in particular identifying a suitable site for the headquarters and undertaking a cost appraisal survey. This is more to get the wheels in motion and satisfy ourselves that we can obtain a suitable site in the general area of Watford rather than to rush forward on any particular building. We do nevertheless need to determine where the Headquarters will be in order that we can make further progress with recruiting a Chief Executive, etc.

#### Lead RGM

6. I have arranged to visit Catherine Hawkins, the lead RGM on Blood Services, 25 August at Bristol. It is obviously important to get her support at the RGMs meeting on 10 September. I am also proposing that the paper to the RGMs should be circulated simultaneously to Chairmen and Sir Colin Walker should be invited to write to them in support of the changes. The aim would then be to get everybody "on side" by about the middle of September. Once we have done that, we will need to make an announcement so that all affected have a clear statement of future plans.

#### RTDs

7. So far the Regional Transfusion Directors have not been informed of the developments or provided with a copy of the Technical Working Group's Report. Since RGMs may well seek their advice on the paper for the 10 September meeting, I propose that they also should be sent a copy on a personal basis. Harold Gunson has undertaken to write to each of them, giving his views and generally commending the way forward. This may of course surface some contrary views but will avoid their hearing from their RGM first.

#### Regional Directors of Finance

8. Charles Dobson has asked if it would be in order for the Confidential RGMs paper to be taken by the Regional Directors of Finance when they meet 9 March. Whilst I am reluctant to increase the circle of those in the know, it is likely that RGMs will ask their Financial Directors for briefing. I would therefore be inclined to agree.

### Trade Unions

9. We are investigating our obligations to inform the Trade Unions. We obviously will have to give them full details and the opportunity to comment. I understand that we will not be bound to wait for their comments before making a statement.

### Announcement

10. So far as the form of statement is concerned we would obviously like to make this at our own timing and in our own way, but if the cat gets out of the bag we may need to move quickly. Thus we cannot guarantee that Parliament will have been reassembled and that a PQ, etc, will be available to us. John Canavan is currently discussing with ME Communications Unit and the Press Office alternative ways of handling this. It does seem essential to be able to assure the Transfusion Service that there will be no significant changes in the numbers of RTCs or the general pattern of their work during the next year (1993-94) ie the first year of the NBA's existence. During that time it will be building up its strategic plan and this will be implemented over a period of years. The extent to which that might involve closing individual RTCs and either re-allocating staff or making them redundant cannot be anticipated at this stage.

### Independence of BPL

11. Minister is keen that BPL should move to independent status in due course. He acknowledges that this may take time and suggests that CBLA should seek Agency status in the meantime. On the former, we need to agree with NBA and BPL a plan and timetable for achieving BPL's independence and Richard Walker and Barry Savery have already been put on notice to start thinking about this. On the latter point, we need to go back to PS(H) in due course with proposals for the interim. Agency status would imply transferring CBLA to the Department (rather than the NHS) and I do not think that that is what he has in mind.

### Setting up of NBA

12. Our aim is to get the NBA set up in its interim form as soon as possible and to tease out the implications of direct management of the RTCs, the development of BPL towards independence and the location of the headquarters office. We would hope to get Barry Savery and others allocated on a part-time basis to working on the NBA as soon as possible and for the NBA to be set up in some shadow form in the Autumn. It would come into formal existence either then or 1 April 1993, but in any event it would start its accounting independence from that date.

#### Appointments to the NBA

13. We are also discussing with HAP the rules of the game affecting appointments to the NBA at Director level and the nomination of a suitable Chairman. We are taking account of the constitution of the Health Authority Boards at NHSSA and ULTRA. We would hope to advertise for the posts of Chief Executive and Director of Operations as soon as possible and will discuss with HAP whether we should retain Consultants for this purpose.

#### Fair Trading

14. We are also preparing a paper for Solicitors Department to consider the implications of a possible investigation by the Office of Fair Trading into BPL's trading position. We need to get their initial view to feed back to PS(H) but I anticipate that this will be a fairly long debate. We have also started discussions with Solicitors on the terms of any regulations that might be required to set up the NBA, both in its interim form and in its final form.

15. So far as comments back to the Minister are concerned, I think that we can leave these for the time being until we have received any feedback from RGMs/Chairmen and we can then go back to PS(H), certainly before the CBLA Review.

16. Perhaps you would let me know if you would like myself or John Canavan to be available for the RGMs meeting on 10 September, and any additional briefing you may require.

R M T Scofield  
EH 316 Ext GRO-C