BPL TERMS OF REFERENCE

Proposed Terms of Reference for Central Blood Laboratories for the attention of S.T.C. on 6 October 1981 and J.M.C. on 23 October 1981

Comments

When first requested, I found preparation of Terms of Reference for BPL to be an inappropriate exercise without clear knowledge of the future management structure. This was accepted by the STC.

The presentation of new draft Terms of Reference immediately preceding ministerial statements on the future management of BPL seems equally inappropriate.

The attached proposals for Terms of Reference (Appendix B) can only evoke severe criticism since they largely fit the existing model which comprises BPL and the present unsatisfactory system of management. Thus, with only limited changes, the existing system could be made compatible with the attached proposed terms.

Specific Matters

The most objectionable term is in section iii (Appendix B, BPL/PFL), where "other activities" of the laboratory are related to the Secretary of State's opinion of their convenience, i.e. their political expediency. The future Blood Products Laboratory has the task of removing NHS dependence on commercial blood products. To do this, the redeveloped BPL will need to take on commercial competition using essentially the same practices and the same set of rules. Thus the management of the new laboratory will need the flexibility to control development and production and expenditure in accordance with the market activities. It will not be possible to compete in this area if management's momentum is bracketed by political interference and by limitations imposed by the standing orders and practices describing the main operations of the National Health Service.

Likewise, the new laboratory will have a requirement to employ staff to match production requirements in a competitive field and bearing in mind the type of process and the considerable value of the products manufactured. Staff terms and conditions will therefore be matched to laboratory requirements.

Control of raw material in the new laboratory will be an essential area for management decision. Having realised sufficient regular supplies of raw material, it will be management's responsibility to regulate the manufacture of blood products in a manner immediately related to economic and market considerations without other strings attached.

I remain totally averse to papers which discuss the roles of management and the Director of the laboratory in separate terms. Expanded activities at BPL will require that the Director of BPL is a part of management, i.e. a representative on the management board. Terms of reference which do not describe for the future an executive management system at BPL are unlikely to provide for a management structure that can keep pace with the increased activities of the laboratory.

GRO-C

R.S. LANE, 18.9.81. 34/6

1381