

Mrs Stockton SOL
MANAGEMENT OF THE CENTRAL BLOOD LABORATORIES

BLA/3/5

1. We spoke on Friday about Mr Finsberg's request for urgent advice on the legal position regarding the establishment of a management body capable of managing the English Central Blood Laboratories (CBs) and the Scottish equivalent, the Protein Fractionation Centre at Liberton.
2. The CBs comprise of the Blood Products Laboratory, Plasma Fractionation Laboratory and the Blood Group Reference Laboratory. At present they are managed temporarily by a Joint Management Committee of DHSS and NW Thames RHA. In the interests of efficiency they need to be placed under commercial-style management. A submission (copy attached) was put forward to Ministers early last year exploring several options; on balance it suggested the creation of an SHA. Ministers subsequently asked for advice on the proposal to establish a charitable trust to manage the labs. A decision was, however, postponed until Mr Finsberg had seen BPL at first-hand. That visit took place on Friday.
3. Following discussions with those primarily concerned at BPL and within DHSS, Mr Finsberg expressed considerable interest in bringing PFC Liberton (the Scottish plant) within the same management structure and asked for urgent advice on how this might be done. He intends to discuss this with Secretary of State and then his Scottish opposite number. Rather than delay the creation of a management board for the CBs while discussions with the Scots are in progress, Ministers might prefer to establish a body capable of "taking over" PFC at a later date. (We have been asked not to discuss this with SHHD officials at this stage.)
4. Our work on this issue last year suggested that primary legislation would be needed to create a management body capable of operating on a UK basis. There seemed to be no suitable NHS legislation. However, one or two points occur to me taking the various options in order they appear in the original submission (para 10 et seq) on which I would be grateful for your views:-

(a) direct management by DHSS
- this must preclude Scotland's facility given DHSS's responsibility for England only.

(b) Supply Council
- is an SHA whose activities are limited to England by regulation. These activities could be extended to Wales (by Regs) but not to Scotland.

(c) National Enterprise Board
- is no longer a runner.

(d) a charitable trust
- this must become a possibility. It would be established under Charities legislation rather than under NHS Acts and thus presumably could cover Scottish as well as English trusts. (I attach Mr Montague's note on the separate question of control which does not explore the UK option).

(+) PHLS Board
- subsequently ruled out by Ministers. In any event the PHLS legislation restricts its activities to England and Wales.

(e) a new statutory board
- by definition would require legislation but presumably that legislation could be so drafted to establish a UK management board? Would it be possible to achieve this by means of a relatively short bill with the detail being dealt with by Regulation? functions as may direct

(g) NW Thames RHA
- would be ruled out for the same reason as DHSS-(a) above.

(h) SHA
- would be restricted to England and Wales? Do the Scots have similar powers? One way around our difficulties might be for both countries to establish SHAs but for the membership to be the same for both. (This would be unlikely, politically, but might do the trick in a roundabout way.)

5. The problem of finding a UK management system is not unique to the CBAs. There was a proposal to



establish a UK Independent Management Side Secretariat
for Whitley which even got as far as inclusion in the
ill-fated Health and Personal Social Services Bill in 1980.

b. I am sorry to set this out at such length and
in so uncoordinated a fashion. Our brief is basically -
find a way of doing it, preferably one that avoids the
need for primary legislation.

15.2.82

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