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PRIME MINISTER

NHS Review: Draft White Paper

Note by the Secretary of State for Health
HC 62

DECISIONS

1. Mr Clarke's paper contains a suggested outline for the White Paper, and drafts of the foreword and the chapters on patient care and self-governing hospitals. This is the first time drafts of parts of the White Paper have been circulated to the group. You will want the group to give Mr Clarke preliminary views on these extracts, to prepare the way for discussion of a complete draft of the full White Paper at the next meeting.

2. On the suggested outline, there are a number of points which you may want to raise:

i. title. It might be helpful if Mr Clarke were to suggest his ideas for the title of the White Paper at the next meeting, as well as for its cover and illustrations. (Serving the Patient? A better NHS? A better service for patients?)

ii. tax. A decision will be needed on whether the White Paper should announce the tax changes, presumably in Chapter 9 on Working with the Private Sector. The tax changes may well seem to the public to be among the most important outcomes of the Review. But the Chancellor may have views on their treatment in view of the special status of tax changes.

iii. Scotland, Wales and Northern Ireland. A decision is also needed on how the territories should be treated in the White Paper. (In view of the tight timetable, we have suggested to the Department of Health that they should draft on the basis of one single chapter covering all three territories.)

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3. On the foreword, the main question is whether it strikes the right note and is substantial enough. You will wish to invite views on this. One possibility might be to focus not only on the Government's commitment to preserving the good things about the NHS but also on the fact that there are weaknesses which need to be put right, as every patient knows. There is also the question who should sign the foreword: but a decision on this is not needed immediately.

4. Chapter 2 on Delivering a Better Service is the key chapter which is meant to establish from the outset how the reforms which the Government proposes are all designed to result ultimately in a better service for patients. You may feel that a more professional job is needed on the drafting, and that there could be a greater concentration on practical benefits to patients.

5. Chapter 4 explains the Government's thinking on self-governing hospitals. You will wish to invite views on the drafting. Here, as elsewhere, it will be important to make the connection between the patient and the reforms: for instance, by emphasising the incentive which self-governing hospitals will have to provide a good service to patients. You may also wish to consider whether the chapter could do more to reassure readers that urgent treatment will still be obtained at the nearest hospital, and whether the draft is clear enough on the transition to self-governing status.

6. For the next meeting on 22 December, you will wish to ask Mr Clarke to circulate a complete draft of the whole White Paper, including revised editions of these chapters to take account of the discussion. You may wish to make the point that this White Paper is a document which will need to win the argument about the NHS and will therefore need to be a thoroughly professional piece of drafting.

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ISSUES

Suggested outline

Tax relief and the private sector

7. The group has decided that:
 - i. there should be tax relief for private medical insurance premiums paid by or for the elderly;
 - ii. premiums paid by employers under company schemes should no longer be taxed as a benefit in kind in the hands of the employee.

8. The group will now need to decide whether these proposed tax changes should be set out in the White Paper. The case for this is that they are among the most important outcomes of the review, and will add substance to the White Paper, and especially to the chapter on the private sector. But the Chancellor might prefer that as they are tax changes he should announce them. One possibility might be that the White Paper should give details of the changes, but should be accompanied by a simultaneous announcement by the Chancellor.

9. If it is decided that the White Paper should give details of the tax changes, you may feel that the chapter on the private sector should be moved nearer the front of the White Paper, perhaps after the chapter on self-governing hospitals. This would reflect the importance attached by the group to the role of the private sector in providing competition and diversity in health care and the attention the tax changes are likely to get in public reception of the Government's proposals.

Scotland, Wales and Northern Ireland

10. Mr Clarke has written to the regional Secretaries of State about the treatment of Scotland, Wales and Northern Ireland (his letter of 7 December to Mr Walker). The group will need to decide on the treatment of the territories in the White Paper at this meeting, so that a complete draft can be ready for the next meeting on 22 December.

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11. There seem to be three possibilities:

- i. no separate treatment for the territories, but where there are differences the insertion of suitable references in the subject chapters;
- ii. a separate chapter in a UK White Paper;
- iii. separate White Papers for each of the territories.

The argument against i. is that the many detailed differences between the territories (for example on Regions and the organisation of the FPS) would considerably complicate drafting and presentation. The argument against iii. is that it goes too far towards recognising that Scotland, Wales and Northern Ireland are different. Mr Clarke's outline therefore suggests a separate chapter covering the three territories. You may wish to ask whether the group would be content with this. (In the interests of keeping to the timetable, we have asked the Department of Health to draft on the basis of a single chapter.)

The foreword

12. The foreword will be perhaps the most important chapter in the White Paper. It must have an immediate impact on the reader, capturing attention from the start, and introducing the themes to which the Government attaches most importance. You will wish to consider whether the present foreword is substantial enough to do this. If you wanted something stronger, one possibility would be to concentrate not only on the strengths of the NHS but also on the weaknesses - expressed in terms which every patient knows (eg waiting-times, appointments, doctors coming out at night) - and the Government's determination to put together reforms which will remedy them, to provide a better NHS.

Chapter 2

13. At its last meeting the group agreed that a Chapter setting out a list of specific improvements for the patient should come at the beginning of the White Paper. It also agreed that what mattered most for presentation were specific practical improvements rather than initiatives which would seem remote from the

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ordinary patient. In the light of this, you will want to consider whether the Chapter does enough to concentrate on practical benefits for the patient. The list of these earlier agreed by the group is given in paragraph 2.13 to 2.16, in very summary form. Should the Chapter include more discussion of these benefits and how the Government intends that they should be achieved? As a particular example, should it say how the reduction in waiting times will be achieved rather than (as in 2.16) simply referring to later chapters?

Chapter 4

14. The drafting of some of this Chapter cannot be completed until the group has reached its decisions on capital and pay. But you may wish to consider whether its tone is right and in particular whether the link with the benefit to patients is strong enough. You may also wish to raise points on the following:

- i. accident and emergency. You may wish the draft to reassure readers that very urgent treatment, for example for accidents, will continue to be available from the nearest hospital. Paragraph 4.10 mentions that the point will be covered in Chapter 7. Should it be covered in this Chapter?
- ii. Number of self-governing hospitals. The Government will be pressed on how many self-governing hospitals it expects to set up. You may therefore wish there to be a clear and unequivocal commitment on this point. The nearest to this in this chapter is in paragraph 4.21 which refers to the establishment of Trusts. You may wish this to be put more clearly.
- iii. Role of the regions. There is a reference to the Regional Health Authorities "establishing the precise range of services and facilities" for which self-governing hospitals will be responsible (paragraph 4.20). You may wish to probe what lies behind this. The paragraph refers to RHAs putting forward the formal applications for self-government: is it the intention that they should be the only source of formal applications?

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iv. Closures. The White Paper rules out self-governing status for any hospital which the Secretary of State believes should be closed (paragraph 4.18). You may wish to consider whether this negative note is the right one to strike.

RJW.

R T J Wilson
Cabinet Office
13 December 1988

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