



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

From the Secretary of State for ~~Social Services~~ Health

CONFIDENTIAL

The Rt Hon John Major MP
 Chief Secretary to the Treasury
 HM Treasury
 Parliament Street
 LONDON SW1

13 January 1989

Dear Chief Secretary

NHS REVIEW: ADDITIONAL CONSULTANTS POSTS

At our meeting Wednesday we discussed the suggestion outstanding from the Prime Minister's Group to fund additional consultants posts in the NHS. I undertook to let you have a firm proposal, with costs.

I have worked up the enclosed paper to give a brief, but I hope sufficiently clear, picture of what I think we need to set in hand, and of the presentation I think we should give it in the White Paper. As we agreed on Wednesday, the fine details do not need to be in place before publication, but the basic principles and commitment do. I hope we can agree on these at least.

Because we are so much up against time with our meeting on 17 January, I am copying this letter to other members of the Ministerial team.

Yours sincerely

Elva Goldhill

for KENNETH CLARKE

(approved by the Secretary of State and signed in his absence).

NHS REVIEW: ADDITIONAL CONSULTANTS POSTS

120Introduction

1. Papers HC36 and HC49 set out some preliminary proposals for additional consultant posts. Paper HC49 proposed the creation of 120 additional posts over two years, at a cost of £250,000 a post. However the Group did not reach a final decision on this proposal. This note now sets out a firm proposal for a significant expansion in consultant numbers, and suggests how this should be handled in the context of the White Paper.

2. The Review confronts a number of problems:

- waiting times in elective surgery.
- most topically, junior doctors' hours
- a number of time-expired senior registrars (ie qualified, but waiting, for consultant post)

3. The White Paper needs to unveil a package of funding for additional consultant posts over the next couple of years, to make further inroads into these problems. This should result in at least 100 new posts by the end of the period.

Numbers, specialties and costs

4. The new scheme will be designed to ensure that these posts would fall in waiting list specialties. Paper HC36 set out the availability of senior registrars in these specialties over and above the numbers needed to fill current consultant posts (and allow for planned expansion). This is reproduced in Annex A. The average cost of a consultant (including the cost of various support services such as nursing and facilities), by specialty, is shown in Annex B.

5. Where a new consultant post is created to deal with wholly new work, as would be the case with an effective attack on waiting lists, virtually full on-costs are likely to be incurred. At the other extreme where a post replaces, say, an existing senior registrar post and takes over mostly existing work, the on-costs may already be accounted for.

6. Since one of the objectives of this initiative is additionality, in terms of tackling waiting times, the proposed posts should be costed to include full on-costs. The Annexes show that most posts will fall in the most expensive specialties. It would therefore be prudent to cost the exercise on the basis of £500,000 per post.

7. Mopping up the entire stock of theoretically available candidates (Annex A) over the next year would mean creating 130 posts. This would imply a continuing full-year cost of £65 million at current prices. However it would not be realistic to

create this many posts in 1989/90, and in any case the bidding procedure proposed below may result in different unit costs in practice. Taken together, these factors suggest that an initial "fund" of £50 million in a full year would be an appropriate provision.

A bidding scheme

8. Districts would be invited to "bid", through Regions, for funds to support new consultant posts in specified specialties, advancing evidence on the following points:

- how the proposal tackled waiting lists, where consultant posts were the bottleneck
- alternatively, how the proposal tackled excessive junior doctors' hours or helped towards structural change as in "Achieving a balance"
- what on-costs were bid for, and consequently how existing resources would be most effectively brought into use.

9. One of the criteria against which bids would be evaluated would be the ability of Regions to marshal the necessary supporting services, in particular nursing staff. Support costs are, however, included in the total cost per post.

10. In addition to receiving bids on the initiative of Districts, DH would require bids from those with excessive waiting times, or a serious junior doctors' hours problem. It is possible that the mere threat of an additional consultant may cause some existing consultants to cut their waiting lists.

Funding

11. The exact phasing of expenditure would be for consideration with the Treasury. Given a start so close to the start of the year, the first year cost (in 1989/90) would be likely to be some £10 million - say up to 40 posts created. The programme could be completed during the next year, giving expenditure of £35 million in 1990/91. The full cost of £50 million would then arise in 1991/92 and thereafter.

12. This should be in addition to the existing planned spend of £30 million on the waiting list initiative. All of this fund has been committed and cannot now be clawed back for another (even if related) purpose without accusations of bad faith. In any case, there are good uses for "waiting list" money not linked to consultants posts: not all waiting list problems are caused by lack of consultants. In fact, in the current waiting list initiative, the predominant action which authorities have taken is to enable fuller use to be made of operating theatres. Moreover, the present problem of junior doctors' hours is not a "waiting list" problem at all. In this case, the work is being done, but in an unsatisfactory way, leading arguably to unsafe and low quality care.

13. It is therefore proposed that the 1989/90 cost should be met from the Reserve. This is justified as a new development in the Review context, providing some "good news" on waiting times and in the face of the junior doctors issue. The continuation - or expansion - of the scheme would of course be for consideration in subsequent PES.

Presentation

14. It would be more relevant to present this proposal in terms of the number of posts created, than the amount of money to be spent. This will, in particular, commend the proposal to the medical profession - which will otherwise be suspicious of many of the Review proposals. It would be neither practicable, nor appropriate, to set out the scheme in detail in the White Paper. However a sufficiently firm reference needs to be made in the text, to prepare the way for detailed discussions, both within Government, and with the NHS. Annex C provides a possible passage for inclusion in the White Paper chapter on consultants.

Availability of qualified senior registrars for consultant posts
by specialty:

<u>Specialty</u>	<u>number available</u>	
	<u>after 1 year</u>	<u>after 4 years</u>
General surgery	75	125
Trauma and orthopaedic surgery	30	65
Obstetrics and gynaecology	10	50
Ophthalmology	10	30
Ear nose and throat surgery	5	20
<hr/>		
Total	130	290

Average annual cost per consultant of in-patient work:

	£,000, 1989/90 prices
All surgical specialties	720
of which:	
General surgery	980
Trauma and orthopaedic	960
Ear nose and throat	500
Gynaecology	830
All internal medicine	440
of which:	
General medicine	750
Neurology	660
Paediatrics	350

Additional consultants

The Government believes that faster progress in reducing waiting times for treatment and in improving the quality of services for NHS patients can be made by the creation of more consultant posts. This would also help to improve the career prospects, and to reduce the working hours, of junior doctors. The Government therefore proposes to introduce a scheme under which **100** additional, permanent consultant posts can be created over the next **three** years ~~(at a cost of **£50 million** including all support costs)~~. These posts will be ^{costs of the scheme} ~~over~~ ^{and} above the 2 per cent annual expansion in consultant numbers already planned. The scheme will concentrate on increasing the number of consultants in those acute specialties which currently have the longest waiting times for treatment.