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PRIME MINISTER

DRAFT WHITE PAPER ON THE REFORM OF THE NATIONAL HEALTH SERVICE
[E(A)(89)2: Memorandum by the Secretary of State for Health]

1. The main purpose of this meeting is to secure collective endorsement of the proposals in the White Paper and formal agreement that, subject to the approval of the Cabinet on 26 January, it should be published on 31 January. The meeting also provides an opportunity to run over any outstanding points about the arrangements for publication.

2. You may wish to begin by summarising briefly the main themes and reforms which have emerged from the Ministerial Group's work (speaking note below) and then inviting the Secretary of State for Health to run through the proposals. In doing this you may wish to make it clear:

i. that the Sub-Committee is being invited to endorse the substance of the proposals. The Secretary of State should retain discretion to polish it, provided that he does not change the sense;

and ii. that discussions are still continuing on the arrangements for central management of the NHS in Chapter 2. Any changes of substance will be reported to Cabinet.

2. If there are any detailed drafting points on the text of the White Paper, you may wish to ask for them to be sent direct to Mr Clarke as a matter of urgency, outside the meeting.

3. You may then wish to check the final arrangements for publication:

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i. Cabinet. The draft White Paper has been circulated around Cabinet at the same time as E(A), as agreed, for discussion this coming Thursday, 26 January;

← ii. Parliament. You may wish to ask Mr Clarke to circulate for comment the oral statement which he will be making on 31 January. Presumably there will also be a debate.

iii. Cover and illustrations. You may wish to ask what these will be like.

iv. Popular version. The Department are about to go to print with a 'popular version' of the White Paper. A copy will be in your box this weekend. It appears to contain no reference to tax relief for the elderly.

v. Detailed papers. Soon after the White Paper is issued Mr Clarke proposes to publish eight detailed papers (called working papers in the text, paragraph 1.10) explaining in detail how the Government's proposals are to be implemented. The White Paper also says that the Secretaries of State for Scotland, Wales and Northern Ireland will also publish papers as necessary. You may wish to check that these papers are being cleared with the Treasury, as you asked at the group's meeting on 5 January.

← vi. Co-ordination with Wales, Scotland and Northern Ireland. Mr Clarke and his Department have a series of media briefings and meetings with special interest groups (eg the BMA) and NHS management lined up for 31 January. Presumably Mr Walker, Mr Rifkind and Mr King plan briefings too. You may wish to ask what arrangements are being made to co-ordinate what line is taken by these Ministers. It seems essential that they should have common, co-ordinated briefing and an agreed line to take on every aspect.

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vii. Support for the White Paper. Presumably Mr Clarke is arranging for professional people who support the proposals to speak out when it is published.

POINTS TO MAKE

4. In opening the discussion you may wish to draw on the following:

i. The central theme of the reforms is the need to provide a better Health Service for patients: raising the performance of all hospitals and GP practices to the level of the best. It is particularly important to bring about first, a greater devolution of responsibility throughout the NHS, so that so far as possible those who provide the service can take the decisions; and second, to allow the money to follow the patient, so that the resources go to the hospitals which do the work.

ii. The proposals for self-governing hospitals and for GP practice budgets are major, fundamental reforms. Both are designed to lead to greater choice and value for money for patients who, as taxpayers, are providing huge sums for the NHS and are entitled to expect good value. In presenting the proposals it is essential to avoid the impression that hospitals will 'opt out' of the NHS, which is not what is intended.

iii. Another key theme is to get the public and private sector working together. A healthy and growing private sector adds to the choice for patients. The proposal for tax relief for the elderly is important in this context and will be welcomed.

iv. Finally, there will be an important drive to sharpen up the accountability and efficiency of NHS management. The aim is to take out the political element in District Health Authorities and to streamline the system so that there is a proper chain of command running from the bottom to the top,

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with the Audit Commission providing more effective audit arrangements. On the professional side, there will be much greater use of medical audit and better arrangements for consultants.

v. Taken together these proposals are a radical and far-reaching package which will preserve what is good in the NHS but put right the things which are wrong.

RTJ

R T J WILSON
Cabinet Office
20 January 1989

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