



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 January 1989

Dear Andy,

NHS REVIEW

The Prime Minister was grateful for your Secretary of State's minute of 18 January on the Central Management of the NHS and his minute of 19 January providing revised drafts of Chapters 1 and 13 and part of Chapter 7.

Central Management

The Prime Minister has considered further whether the Body reporting to the Policy Board should be termed the Management Board or Management Committee. She continues to feel that to have two Boards would be highly confusing. But rather than calling it the Management Committee, she suggests the title should be the Management Executive.

The Prime Minister also has some drafting comments on the existing text of paras 2.4 to 2.12. For convenience these are annexed to this letter.

But the Prime Minister continues to be seriously concerned about exactly how the new central management structure will operate. She would be grateful if your Secretary of State would now prepare a detailed paper on this subject, for consideration by the NHS review group following the meeting of E(A) on Tuesday 24 January.

This paper needs to spell out in detail the existing arrangements for the involvement of Department of Health officials in the operation of the NHS (including the numbers involved) and the links between the centre, the regions and districts. It should then go on to specify in detail the proposed new arrangements, spelling out the nature of the support structure for the Policy Board/Management Executive, the way in which policy advice and operational responsibilities at the centre will be separated and the links between the centre, regions and districts. The line of responsibility and chain of command at each point should be specified.

The Prime Minister assumes that alternative options have been developed covering some or all of these points. She thinks it would be helpful for these alternatives to be set out, as well as your Secretary of State's recommended

approach. Her own view is that it is essential for there to be maximum delegation of operational responsibility to the health authorities, with the minimum necessary manpower engaged at the centre on operational matters and a clear distinction at the centre between policy and operational responsibilities. She also thinks it essential that the new arrangements for accountability to Parliament and the way in which they will match the new management structure in the NHS and the Department should be spelled out.

The Prime Minister would be grateful if your Secretary of State would arrange for the Treasury and the Cabinet Office to be associated with the preparation of the paper, which should be circulated on Monday 23 January.

White Paper Title

The Prime Minister has considered your Secretary of State's proposal that the title should be "The NHS - A Healthy Future". She continues to feel however that it is important to include the word "Patient" in the title. She suggested that "Patients First" might be used in the title. But when we spoke about this this morning you explained that this had been used in an earlier publication. You said that the latest proposal from the Department was "Working for the Patient". I will report to the Prime Minister when she returns to the office later today that this is the title you are now planning.

Other Draft Comments

I attach at Annex B the Prime Minister's detailed drafting comments on Chapters 1 and 13.

I am copying this letter to the Private Secretaries to the Chancellor, the Secretaries of State for Wales, Scotland, Northern Ireland, the Chief Secretary, Minister for Health, Sir Robin Butler, and to Richard Wilson (Cabinet Office) and Ian Whitehead (Policy Unit).

Yan,
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(PAUL GRAY)

Andy McKeon, Esq.,
Department of Health.

Paragraph 2.4: It would be impracticable for the Chief Executive to oversee the day-to-day decisions taken locally by operational units, and any attempt to do so could lead to excessive bureaucracy. Redraft to read:

"...Such accountability does not mean that Ministers should be involved in operational decisions. On the contrary, these decisions must be taken locally by operational units and oversight of the operational units will be the responsibility of the Chief Executive of the NHS Management Committee. Ministers will be responsible for policy and strategy".

Paragraph 2.6: There needs to be a clearer definition of the role of the Policy Board, as follows:

"A new Policy Board, chaired and appointed by the Secretary of State, will determine the strategy, objectives and finances of the NHS in the light of Government policy, and will set objectives for the Management Committee and monitor whether they are satisfactorily achieved. It will replace..."

Paragraph 2.8: Delete "and keeping the state of health of the people of the region under review" in the penultimate sentence.

Chapter 1Paragraph 1.3

The reference to "around £35 for an average family of 4" should make clear that this relates to a week.

Paragraph 1.5

Amend the last sentence to read "This is now showing results and has pointed the way ahead".

Paragraph 1.17

It would be better to start each of the indents with the infinitive and in the first indent to start with "To secure" rather than "To effect".

Chapter 13Paragraph 13.1

This would read better as:

"The proposals in this White Paper put the interests and wishes of the patient first. They offer a new, exciting and potentially rewarding challenge to all the work in the NHS. They add up to the most significant review of the NHS in its 40 year history. And they amount to a formidable programme of reform which will require energy and commitment to carry it through".

Paragraph 13.2

Amend the opening phrase to: "The Government is planning to implement the programme in three main Phases". And add to the first indent under Phase 1 "as a Management Executive".

Paragraph 13.5

Add to the end of the first sentence "and to secure the best value for money".