



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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CCPA

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

CONFIDENTIAL

The Rt Hon Kenneth Clarke QC MP

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COMMUNITY CARE: HEALTH AUTHORITY ACTIVITIES

We discussed at the inter-Ministerial group yesterday the issue of whether action should be taken to dissuade Local Authorities from bringing forward the privatisation of their own residential provision ahead of the implementation of the new structure in April 1991. I am writing on the related issue of the ability of Health Authorities to shift patients on to the DSS budget and onto "preserved" income support prior to April 1991.

This can happen in various ways. One approach is for health authorities to set up joint arrangements with voluntary or private organisations to manage nursing or residential care home beds. Your Department has a moratorium in place on such schemes. When the issue was put to us both by officials last year, I did not feel that there was a particular problem here. I would however be grateful for an assurance that the moratorium will stay in place and be enforced by your Department, at least until April 1991.

The other approach is more straightforward. On the face of it, there seems to be a clear incentive for health authorities to discharge long-stay patients into the independent sector prior to April 1991. After that date of course discharged patients will have part of their costs borne by Local Authorities. Large scale discharges of long-stay patients, would have clear implications for my PES position and would increase the number of cases with "preserved" income support entitlements. I accept that to some extent Health Authorities will be constrained by their strategic planning processes, and the closure procedures. However, I do think that we need to reach a view on whether action is needed to restrain Health Authorities, or alternatively and how this should be reflected on PES.

I am copying this letter to the Prime Minister, Peter Walker, Nicholas Ridley, Malcolm Rifkind, John Major, Sir Roy Griffiths and Sir Robin Butler.

JOHN MOORE