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CEB

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6 December 1989

*Dear Paul*

*Crapp Part 22*

**IMPLEMENTATION OF NHS WHITE PAPER IN SCOTLAND**

I refer to your letter of 6 October recording the Prime Minister's request for a further progress report.

**NHS Trust Status**

Health Board Chairmen and General Managers have helped to ensure that the Government's proposals for NHS Trusts are well known and understood by Board staff, and in particular by those in senior medical and management positions. They have encouraged those who wish to explore the possibilities further, but so far only two formal expressions of interest have been conveyed to the Department. The first relates to a fairly large hospital for the mentally handicapped in Larbert (Forth Valley Health Board); and the second relates to a proposal, from a group of local GPs, for a new hospital to replace three small local hospitals in Forfar (Tayside Health Board). There is however a good deal more interest which should shortly lead to further proposals. These include the possibility of proposals for a large group of acute hospitals in Aberdeen; a unit including acute, long-stay and community services in Tayside; and a pharmaceutical service in Lothian. In addition General Managers are continuing to encourage a number of hospitals where there is a good deal of interest, but where careful handling is needed in order to develop a wide base of support.

**Management Arrangements**

Don Cruickshank, who took up post as Chief Executive for the NHS in Scotland on 1 October has just completed proposals for restructured central management arrangements. These will be the subject of further discussions and I shall write to you again as soon as these are completed.

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I am copying this letter to Andy McKeon (Department of Health), Stephen Williams (Welsh Office), Stephen Leach (NIO), John Gieve (HM Treasury) and to Sir Robin Butler.

Yours

Jim Gallagher

**J D GALLAGHER**  
Private Secretary

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