PART 6

MT

SECRET

Confidential Filing.

NHS Expenditure and Efficiency.

S 812

IN ATTACHED FOLDER: ANNEXES TO DHSS TO MEA 3/9/86

NATIONAL HEALTH

Part 1: May 1979

Part 6: June 1986

PREM 19/1854

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~2.6.86~~		30.9.86					
3.6.86							
~~4.6.86~~							
~~10.6.86~~							
~~10.6.86~~		PART ENDS					
~~15.6.86~~							
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19.6.86							
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~~26.9.86~~							
~~29.9.86~~							
~~1.10.86~~							

Dd 8398366 2M 11/83 JET

PART 6 ends:-

NLW TO PM 30.9.86

PART 7 begins:-

SS/DHSS TO SS/SCOT 1.10.86

EL3BKP

SECRET

Appts 1 11
- have already got a copy (keep for NHS)

PRIME MINISTER

ANNOUNCEMENTS

Subject to any last minute hitches, I propose the following timetable for the announcement of the Chairman of the BBC and Mr. Fowler's health service package.

(i) BBC Chairman

12 noon tomorrow, Wednesday, by No.10 Press Notice in the usual way. The BBC (in the person of the Vice-Chairman) would be told a couple of hours beforehand in the strictest confidence.

(ii) Health Service

Thursday afternoon for Friday morning's papers. Mr. Fowler would handle press briefing. He does not want to make the announcement on Wednesday because the Labour Party would try to undermine the appointments in their social services debate on Thursday.

Bernard is content with this timing.

Perturbations in the money markets may suggest second thoughts but, subject to them, I would like your approval for these timings.

Content?

Yes

N.L.W.

N.L. WICKS

30 September 1986

SECRET

Mersey Regional Health Authority

Hamilton House,
24 Pall Mall,
Liverpool L3 6AL
Tel: 051-236 4620

Chairman: R.D.Wilson

Our Ref. RDW/BCH

Your Ref.

29th September 1986

Nigel Wicks, Esq.,
10 Downing Street,
LONDON

Dear Mr. Wicks,

Merseyside Video Film

Further to our conversation following dinner on Thursday night, I enclose herewith the video film prepared by Mr. B. Redhead which tells the story of our future plans and developments within Merseyside. This film has had extensive coverage throughout the Health Services and we are currently using it for training groups, new members of the Authority, Universities, Polytechnics, etc.

If you can find the opportunity to see it yourself I would welcome your comments and if you are able to get it into Chequers for one week-end, I would be particularly grateful.

Yours sincerely,

BM2AVT

BM

10 DOWNING STREET

From the Principal Private Secretary

29 September 1986

I have shown the Prime Minister your letter of 24 September about the squalid conditions at the Bethlem Royal and Maudsley Hospitals.

The Prime Minister was, like you, appalled at the report. Certainly there are some good features at the two hospitals, but what is bad looks to be very bad. She would like to know, before Parliament reassembles on 21 October, what is being done to improve matters so that she can be ready to answer any questions which MPs might put to her.

(N.L. WICKS)

Sir Kenneth Stowe, G.C.B., C.V.O.

EC

FILE

10 DOWNING STREET

THE PRIME MINISTER

Personal Sunday 28 Sept 86

Dear Charles.

Your letter about the the NHS was most helpful. I am pursuing vigorously the idea of a clearing system for waiting lists. On Thursday evening I had all the Regional chairmen to dinner and raised it with them. Some of them are very enthusiastic about doing it. First within a region.

I also raised the effect of RAWP with them. Knowing what it means to areas like yours more which lack resources. But they were 100% in favour even some of those whom one would have expected to say 'there are limits to it'.

They were also very pleased with the new management initiative and where it will make a great difference when it is fully operational.

I hope you are fully recovered and ready for the fray once again

Yours ever

Margaret

10 DOWNING STREET

With the compliments of

MR N L WICKS

As handed to

Sir Roy Griffiths

DRAFT PRESS NOTICE

NHS MANAGEMENT BOARD APPOINTMENTS

With the approval of the Prime Minister the following appointments have been made in the Department of Health and Social Security:

1. Mr. Anthony Newton, MP, Minister for Health, to be Chairman of the NHS Management Board.

2. Sir Roy Griffiths, Deputy Chairman and Managing Director of Sainsburys plc, to be Deputy Chairman of the NHS Management Board and the Government's Adviser on NHS Management, with direct access to the Prime Minister. Sir Roy Griffiths' appointment will be part-time and unpaid.

3. Mr. Len Peach, currently Personnel Director on the NHS Management Board, to be Chief Executive Officer of the Board and Accounting Officer in the rank of Second Permanent Secretary. Mr. Peach is already on secondment to the Civil Service from IBM.

BM2AVM

E.R.

F

to need [illegible] + [illegible]

DRAFT PRESS NOTICE

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1. Mr. Anthony Newton MP, Minister for Health, to be Chairman of the NHS Management Board.

2. Sir Roy Griffiths, Deputy Chairman and Managing Director of Sainsburys plc, to be Deputy Chairman of the NHS Management Board and [the Government's] ~~Special~~ Adviser on NHS Management [, with direct access to the Prime Minister]. Sir Roy Griffiths' appointment will be part-time and unpaid.

3. Mr. Len Peach, currently Personnel Director on the NHS Management Board, to be Chief Executive Officer of the Board and Accounting Officer in the rank of Second Permanent Secretary. Mr. Peach is already on secondment to the Civil Service from IBM.

~~Read to Debbie without bracketed words.~~

Gill

PRIME MINISTER

Norman suggests we should try to seek Roy's agreement to the Press Notice attached.

Norman thinks it goes much further than is really desirable, especially by the inclusion of the square bracketed words "the Government's" and "with direct access to the Prime Minister". He would like me to try to negotiate the text with Roy without these words. I think that would be a mistake. We want Roy. Much better to put our cards on the table from the beginning rather than grudgingly make concession after concession. Ken tells me that Norman would agree with this approach if you thought it right. Norman insists that the press notice should issue from the DHSS and that he should handle the media briefing. I think this is right. Bernard will need some briefing, but the main weight ought to come from DHSS.

Norman also wants me to make clear that when I see Roy later today, I am coming on both his and your behalf. No problem there, I think.

I have shown the text to Robert who is content, though he makes the good point that the word "Special" before "Adviser" ought to be omitted. "Special Advisers" are junior appointments and it is not in Roy's interest to get himself mixed up with them. Ken agrees and I would propose to suggest to Roy when I see him later today that this word should be withdrawn.

Do you agree that I should try to persuade Roy to accept the draft press notice, including the passages in square brackets?

Nigel Wicks

26 September 1986

DRAFT PRESS NOTICE

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SIR ROY GRIFFITHS to be Deputy Chairman of the NHS Management Board and the Government's Special Adviser on NHS management with direct access to the Prime Minister. This appointment will be part time and unpaid.

MR. LEN PEACH to be Chief Executive Officer of the Board and Accounting Officer in the rank of Second Permanent Secretary.

10 DOWNING STREET

Prime Minister

I thought you might be interested in this.

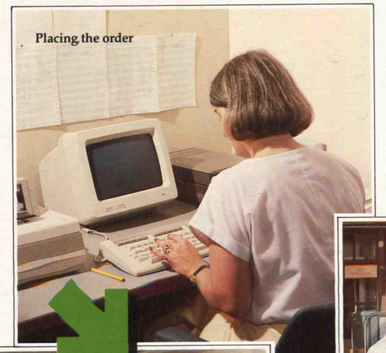
Trent are now selling their system to other NHS regions and to companies.

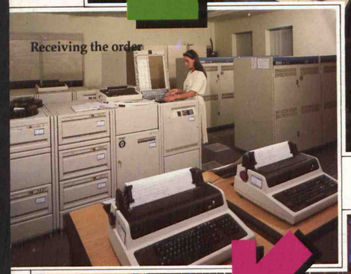
DHSS
26/9.

trent REGIONAL HEALTH AUTHORITY

REGIONAL DISTRIBUTION CENTRE

The complete service…





REGIONAL DISTRIBUTION CENTRE

Over the last few years the Supplies Service in the Trent Region has been completely re-organised and centralised. A keener and more professional approach to buying and contracting has produced substantial savings in money.

Central to the Region's determination to obtain the best value for money is the Regional Distribution Centre which we explain in detail in this leaflet.

But it must be remembered that the Supplies Service is an integrated one and depends for its success on the dedication of Supplies and many other staffs working for the Region's 12 District Health Authorities.

The page "The Complete Service" shows the ordering and supplies cycle and from that the reader will see just how many steps are involved.

In March 1985 the first "sod" was cut on the site of the Regional Distribution Centre (RDC) by Sir Michael Carlisle, Chairman of Trent Regional Health Authority.

On 20 January 1986, the building was handed over to the Regional Health Authority by the contractors and in June 1986, the RDC started to provide a service to Southern Derbyshire Health Authority, the first of the 12 district health authorities being served by the RDC. We also serve Rampton Special Hospital.

The main warehouse has a total capacity of 3.6 million cubic feet, allowing stock to be stored up to a height of 30 feet. Within the warehouse there are three different types of storage area –

Pallet Racking

The warehouse can hold 7,500 pallets on five levels of racking up to a height of 30 feet. The goods stored in this racking can range from disinfectants and beans to burn bins.

Bin Locations

There are 8,800 bin locations within the Hi-Rise Shelving. These bin locations are individual storage spaces, measuring 1 metre by half a metre. Goods are stored inside these locations and are "picked" by a warehouse operator in a Fixed Path Order Picker which travels up and down an aisle. The type of goods held in these locations include sutures, small pharmaceutical bottles, cutlery etc – items which are usually issued in small quantities rather than in full cases from the pallet racking.

Chill Store

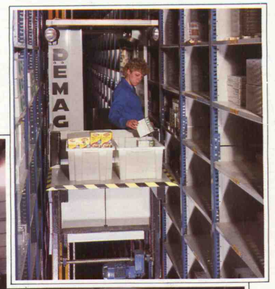
There are 102 pallet spaces within the chill store. The chill store is kept at a temperature of between 1 degree and 4 degrees Centigrade. Goods from this store will be sent in an insulated thermal container which will maintain the low temperature of those items for 24 hours. The sort of items kept in the chill store are fats, cream, tinned meats, etc.

Flammable Store

In addition, there is a flammable store separate from the main warehouse building for the safe storage of flammable products.

There is also a protected fork lift truck charging room and a maintenance servicing workshop.

If a small amount of goods is required, these are sent in a tote bin which is a plastic box with a lid. Each box is fastened with a uniquely-numbered security tag so that customers can be sure that no-one has tampered with the contents of their box.



Alternatively, if a large quantity of goods is required for the same requisitioner they are delivered in a roll cage. This is a metal cage on wheels in which the tote bins are fitted on racking.

There is a tote box washroom with an automatic washer to ensure that all bins are thoroughly cleaned between deliveries.

The RDC receives about 200 deliveries from suppliers each week. From the receipts area the goods are distributed to the storage places already described.

About 200 deliveries are made each week from the RDC to the major delivery locations within Districts. These deliveries are made in eight-ton box vans equipped with tail-lifts to help unloading. The vehicles are painted in Trent RHA's livery.

Once the goods have arrived at the major delivery location, the District's own local transport redistributes goods to the smaller hospitals, health centres and clinics within the District, collecting roll cages and tote bins for return to the RDC.

The whole RDC building is controlled by an energy management system. This ensures the most cost-effective control of energy used and maintains the main warehouse area to the correct temperature to protect the products stored.

The site is protected by the latest security and fire systems, including surveillance cameras with on-site security men patrolling 24 hours a day, seven days a week.

A modern office building alongside the main warehouse accommodates the office staff, cafeteria, wash and rest rooms, quality control rooms and the computer suite for the Supplies Information System.

The initial stock range has been compiled by the Regional Supplies Buyers in conjunction with District Supplies Officers and Commodity User Groups from District Health Authorities. It is based mainly on those items currently in common use across the Region. As time passes the items held will change as users preferences change and more information on buying and usage trends becomes available.

The RDC holds about 6,500 stock lines across all the main commodity groups – for example medical and surgical, foodstuffs, textiles, stationery, works items. Based on 1986 prices the value of stock in the RDC will be about £7 million.

In serving all 12 District Health Authorities, plus Rampton Hospital, the RDC handles over 400,000 requisitions every year and has a turnover of £36 million a year.

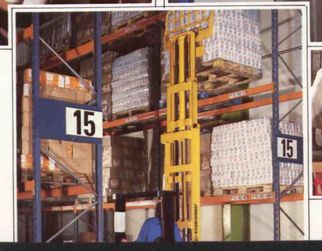
Savings

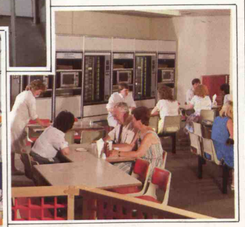
The potential savings to District Health Authorities as a result of the introduction of the RDC are two-fold –

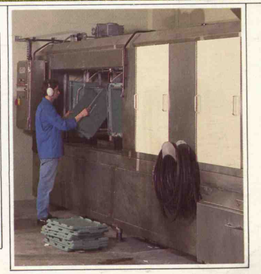
ONE – a substantial "one-off" saving in stock held at local level.

TWO – an on-going annual saving in revenue costs as Districts do not need to service local stores. The result is a reduction in transport costs, the requisitioning process is streamlined and more effective budgetary control for users and managers is provided by the Supplies Information Service.

In other words, better value for money and an improved quality of service which is the aim of the Regional Supplies Service.







CHAIRMAN'S FOREWORD

Improving the Quality of Service.

Value for Money…

One of our objectives is to obtain "value for money" on the goods and services we buy each year.

In the year 1984/85 this Region spent over £140 million on supplies. The stock-holding, in some 100+ stores across the Region, was over £20 million. That is cash, in the form of goods, lying on shelves in stores and cupboards throughout the Region, some of which could better be spent on direct patient care.

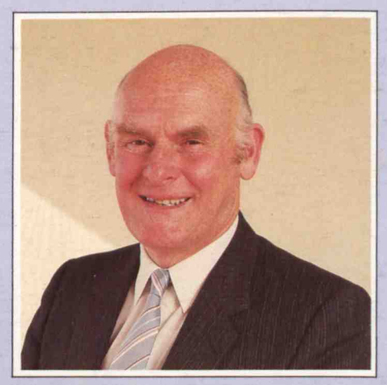
The Regional Supplies Committee was determined to release some of this money tied up in stock. At the same time the Committee wished to improve the quality of service to the users of goods and services by improved purchasing and reduction in the administrative workload necessary to obtain these goods. This aim became their main objective.

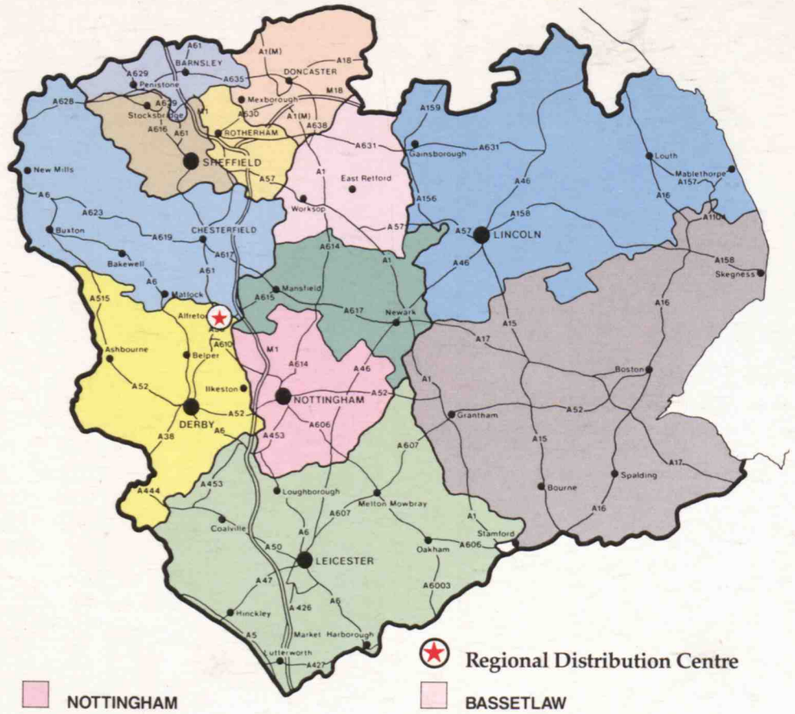
The opening of the Regional Distribution Centre, and more importantly the introduction of the computerised Supplies Information System, are the main ways the Regional Supplies Committee's objectives have been achieved.

The targets set were ambitious. Their achievement has shown that with the commitment of all staff working in the Region, they were realistic and to all staff concerned I say "Thank You."

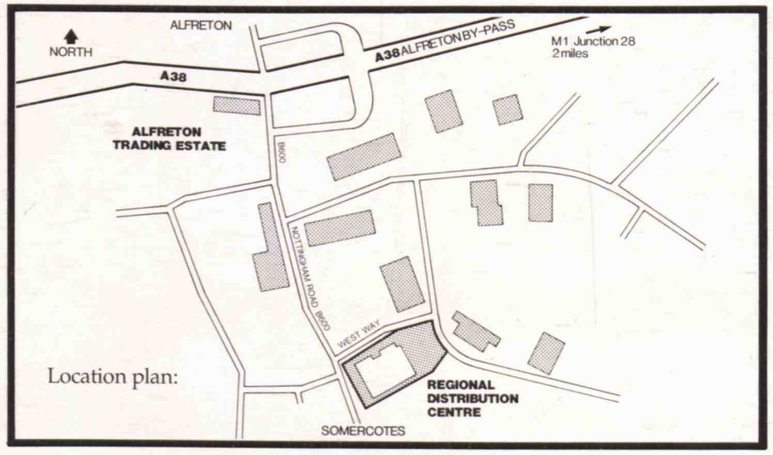
I consider these achievements as the first benchmarks in our continued goal towards producing further savings in this key area and towards meeting our commitment to improving the quality of the Supplies Service within the Trent Region.

Sir Michael Carlisle (Chairman)
Trent Regional Health Authority





- Regional Distribution Centre
- NOTTINGHAM
- NORTH DERBYSHIRE
- SOUTHERN DERBYSHIRE
- LEICESTERSHIRE
- NORTH LINCOLNSHIRE
- SOUTH LINCOLNSHIRE
- BASSETLAW
- CENTRAL NOTTINGHAMSHIRE
- BARNSLEY
- DONCASTER
- ROTHERHAM
- SHEFFIELD



Location plan:

REGIONAL DISTRIBUTION CENTRE

West Way,
Cotes Park (West)
Industrial Estate,
Alfreton DE55 4QJ,
Derbyshire
Telephone: (0773) 608844
Telex: 37389

Supplied by PR Section, Trent RHA Sept 1986

trent REGIONAL HEALTH AUTHORITY

Fulwood House, Old Fulwood Road,
Sheffield S10 3TH.
Telephone: Sheffield (0742) 306511.
Telex: 547246 TRHA G. Fax: (0742) 306956
Regional General Manager:
Brian Edwards, FHSM

REGIONAL SUPPLIES ORGANISATION
Fulwood House, Old Fulwood Road,
Sheffield S10 3TH
Tel: (0742) 306511
Mr. R. BEARDMORE, M.INST. P.S.,
Regional Supplies Officer

BUYING DIVISIONS
Hotel Services – Division I
Mr. P. WRAGG, M.INST. P.S.
Medical & Surgical – Division III
Mr. I. CLARKE, M.INST. P.S.
Works/Energy – District Operations Division IV
Mr. G. HOLMES, M.INST. P.S.

Regional Distribution Centre – Division II
Mr. I. C. BRADSHAW, F.B.I.M., M.I.P.D.M.

DISTRICT SUPPLIES OFFICERS
Barnsley Health Authority
Mr. P. T. ROBSHAW **(0226) 286122**
Bassetlaw Health Authority
Mr. J. GOOD **(0909) 472831**
North Derbyshire Health Authority
Mr. J. MONGON **(0246) 77271**
Southern Derbyshire Health Authority
Mr. T. LEVER **(0332) 363971**
Doncaster Health Authority
Mr. D. PAINTER **(0302) 859024**
Leicestershire Health Authority
Mr. M. BAKER **(0533) 547512**
North Lincolnshire Health Authority
Mr. C. EVANS **(0522) 30664**
South Lincolnshire Health Authority
Mr. M. BARRATT **(0529) 303241**
Central Nottinghamshire Health Authority
Mr. C. A. JONES **(0623) 22515**
Nottingham Health Authority
Mr. K. SALSBURY **(0602) 603621**
Rotherham Health Authority
Mr. N. KENNEDY **(0709) 362222**
Sheffield Health Authority
Mr. T. BIRD **(0742) 331651**

Design & Artwork AGC Design Associates, Chesterfield

SECRET AND PERSONAL

VC4ARCS

10

10 DOWNING STREET

From the Principal Private Secretary

26 September 1986

I duly saw Sir Roy Griffiths this afternoon and he accepted the package set out in the draft Press Notice, copy attached, which the Prime Minister and the Secretary of State had agreed.

The discussion went like this. After I had explained that I was seeing him on the Prime Minister and the Secretary of State's behalf because they were both out of London all day, Sir Roy said that the reason he was pressing his case was that he needed great authority if he was to make a success of his task. This gave me the cue for referring to his question at yesterday's meeting about the possibility of his becoming Deputy Chairman of the NHS Management Board (NHSMB). I then handed him the draft Press Notice. I drew particular attention to the words "with the approval of the Prime Minister" in the first line and to what was said about his appointment in paragraph 2. I explained that the text did not refer to "Special Adviser". That was a term of art which encompassed some quite junior officials. He immediately queried the reference to his being an Adviser on NHS Management; why could he not become "Adviser on the NHS"? I said that I assumed that the phrase "NHS Management" had been used because he clearly could not advise on certain aspects of the NHS, such as clinical matters, which fell to Sir Donald Acheson, the Chief Medical Officer. I did not think that the qualification "Management" was intended to be restrictive. My understanding was that his task would include all the areas which were covered in his report.

Sir Roy then said that he was not going to cavil with the words if the Prime Minister wanted him to do the job. I emphasised that she had personally approved the text from Milton Keynes. He then accepted it.

I told Sir Roy that Mr. Fowler would be in touch with him over the weekend to discuss, eg, the timing of the announcement and so on.

I am sending a copy of this letter to Sir Robert Armstrong.

N.L. WICKS

Sir Kenneth Stowe, GCB, CVO.

SECRET AND PERSONAL

9

10 DOWNING STREET

From the Principal Private Secretary

26 September 1986

MANAGEMENT OF THE NATIONAL HEALTH SERVICE

I attach to this letter my record of yesterday's discussion with Sir Roy Griffiths. The discussion has since been overtaken by other events, but I nevertheless send this letter for the record. I hasten to add that it was dictated before I knew of the later difficulties!

CF.

I decided in the end not to send these letters. But pl put in file for future reference.

N. L. Wicks

NLW
29.9.

Tony Laurance, Esq.,
Department of Health and Social Security

SECRET AND PERSONAL

SECRET AND PERSONAL

Not To BE SENT

10 DOWNING STREET

From the Principal Private Secretary

25 September 1986

Dear Tony,

MANAGEMENT OF THE NATIONAL HEALTH SERVICE

The Prime Minister had a 45-minute discussion with Sir Roy Griffiths this afternoon at which your Secretary of State was present for the last 30 minutes.

The Prime Minister said that both the Secretary of State and herself needed Sir Roy's help in improving the management of the National Health Service. Despite the enormous progress made in recent years, there was still much to be done, for example, the public's perception of the Service's achievements and to tackle such problems as waiting lists. Sir Roy's experience in business and his knowledge of the Health Service would be invaluable in helping the Secretary of State to carry forward his programme of reform. This was the background to the Secretary of State's proposal to appoint Sir Roy as a special adviser. Though Sir Roy would not have executive responsibility, he would, in such a post, have great scope to influence the future of the Service. He would, of course, have direct access to her.

Sir Roy said that he believed that great progress had been made with the NHS over the last few years. On his contribution, if his role was to be advisory, he needed to be seen to have authority if his advice was to carry weight. He therefore wondered whether he could not be the special adviser to the Prime Minister and Secretary of State. The Prime Minister replied that this needed to be discussed with your Secretary of State.

Your Secretary of State then joined the discussion. He suggested that Sir Roy should be regarded as his special adviser but with direct access to the Prime Minister. The Prime Minister agreed on the basis that it would need to be made clear in the public announcement that Sir Roy would have direct access to her.

The discussion then turned to the appointment of the Chief Executive of the National Health Service Management Board (NHSMB) and after some discussion it was agreed that Mr. Peach should be appointed to that post.

It was further agreed that your Secretary of State should announce the Minister of Health's assumption of the Chairmanship of the NHSMB, Sir Roy Griffiths' role, and Mr. Peach's new position early next week. He would provide the Prime Minister with a draft of the announcement for her weekend box.

Yours ever

Nigel Wicks

(N. L. WICKS)

Tony Laurance, Esq.,
Department of Health and Social Security.

SECRET AND PERSONAL

SECRET

8

Thanks so very much mf

PRIME MINISTER

SIR ROY GRIFFITHS

I duly saw Sir Roy Griffiths this afternoon (in the Cabinet Room, which seemed to go down rather well!) and he accepted the package set out in the draft Press Notice attached.

After I had explained that I was seeing him on your and Mr. Fowler's behalf because you were both out of London all day, Sir Roy said that the reason he was pressing his case was that he needed great authority if his job was not to be lost in the department. He had great respect for Tony Newton but as a Minister he could not be directly involved in the management. You were aware of his views on Mr. Peach's limitations.

This gave me the cue for referring to his question at yesterday's meeting about the possibility of his becoming Deputy Chairman of the NHS Management Board (NHSMB). I then handed him the piece of paper attached. I drew particular attention to the words "with the approval of the Prime Minister" in the first line and to what was said about his appointment in paragraph 2. I explained that the text did not refer to "Special Adviser". That was a term of art which encompassed some quite junior officials. He immediately queried the reference to his being an Adviser on NHS management; could he not become "Adviser on the NHS". I said that I assumed that the phrase "NHS Management" had been used because he clearly could not advise on certain aspects of the NHS, such as clinical matters, which fell to Sir Donald Acheson the Chief Medical Officer. I did not think that the qualification "Management" was intended to be restrictive. My understanding was that his task would include all the areas which were covered in his report. (Kenneth Stowe later told me that this was exactly right.)

Sir Roy then said that he was not going to cavil with the words if you wanted him to do the job. I emphasised that you

SECRET

SECRET

had personally approved this text from Milton Keynes. He then accepted it.

He asked me to convey to you that he was taking on the task because of his great personal admiration and commitment to you and all that you stood for.

At the end of the meeting I said that if he wanted ever to talk to you, he should be in touch with me. He hoped on his part that you would not be backward in summoning him if you had problems that he could help with.

The next step is for Mr. Fowler to speak to Sir Roy Griffiths over the weekend prior to, I hope, an announcement early next week. The purpose of the conversation will be, I think, to mend fences and re-establish trust after the bruising meeting yesterday.

Finally, you are seeing Sir John Sainsbury at the Sourcing in Britain dinner on Monday. Sir Roy would be glad if you could thank Sir John for the use of his services. Sir Roy said that he had somewhat "under-played" in his conversation with Sir John the amount of time that he would devote to his NHS task, so he hoped that you would bear that in mind.

N.C.W.

(NIGEL WICKS)

26 September 1986

VC4AKC

SECRET

DRAFT PRESS NOTICE

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3. Mr. Len Peach, currently Personnel Director on the NHS Management Board, to be Chief Executive Officer of the Board and Accounting Officer in the rank of Second Permanent Secretary. Mr. Peach is already on secondment to the Civil Service from IBM.

BM2AVM

PRIME MINISTER

Further to your conversation earlier this week with Mr. Fowler and Ken Stowe, you may want to see the papers about the squalid conditions at the Bethlem Royal and Maudsley Hospitals which Ken mentioned. The position is ~~it~~ really is as bad as he said. Certainly there are some good features at these Hospitals, but what is bad looks very bad. I do not think his minute at all intemperate.

It is relevant that these Hospitals are not the responsibility of any of the Regional Chairmen you saw last night. They come under a special health authority which is outside the Regions' responsibility. I will ask Ken Stowe to let us know in two months' time what has been done to improve matters — before then — I may be questioned in October

N.L.W.

N.L.W.

(N. L. WICKS)
26 September 1986

DEPARTMENT OF HEALTH AND SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522 ext 6981
From the Permanent Secretary
Sir Kenneth Stowe GCB CVO

25 September.

Dear Nigel.

A note as requested.

There will be great suspicion in the Dept. and among RHA Chairmen about Roy Griffiths role; and how he intends to operate. Conspiracy and Lobbying will be much in the minds of people like the Chief Medical Officer and Len Peach: not to mention the Permanent Secretary! So the last para. is crucial. We can make it work.

Yours ever,
Ken

Prime Minister

Mr. Wicks

SIR ROY GRIFFITHS' ROLE AS THE GOVERNMENT'S SPECIAL ADVISER ON NHS MANAGEMENT

Mr. Fowler has broached this with Sir Roy, who is interested and attracted. He knows that it is in the context that Mr. Newton, Minister of State for Health, would be appointed Chairman of the NHS Management Board to resolve the confusion about the status of the Board; and that the existing Chairman's role currently occupied by Mr. Len Peach would become that of the Chief Executive (and Accounting Officer).

2. Sir Roy's role would be that of Special Adviser on NHS Management, appointed by the Secretary of State for Social Services, and accountable to him; located with the Secretary of State at AFH; but available to the other Secretaries of State with health responsibilities (Scotland, Wales and Northern Ireland) where the NHS Management's Board writ does not run.

3. It is envisaged that Sir Roy would continue to have a role at Sainsburys ; and this means the Special Adviser role would, therefore, be part-time and unpaid.

4. Mr. Fowler has pointedly told Sir Roy that he will be encouraged to develop his own role as Special Adviser.

5. Nevertheless to encourage Sir Roy to see positively where he might usefully make a contribution, the Prime Minister could outline the prospect as follows:

1) Great progress has been made in getting a better National Health Service over the past seven years - massively different now from what it was: but still more yet to do.

Contd....

2) Five key areas are those being discussed with RHA Chairmen tonight:

a) Better services for the patient (including waiting lists);

b) Improving management efficiency;

c) Personnel and manpower;

d) Capital programme and estate management;

e) Equipment and purchasing.

3) Ministers and the Management Board have got to take a high profile on this; Sir Roy would be invited to attend meetings of the Management Board; to attend the Secretary of State's meeting with RHA Chairmen; and likewise Minister's meetings in the regions with the District Chairmen.

4) There are certain key management issues in the Hospital and Community Health Service (HCHS) on which Ministers have got to concentrate which Sir Roy could himself investigate and report on, for example the problems of waiting list management, patient and public relations, nurse recruitment etc.

5) Similarly, there are issues of policy development in which he would be invited to participate:

a) The Primary care review;

b) The future of community nursing;

c) The Review of Hospital and Community Health Service priorities - a conference with RHA Chairmen at the weekend 16/17 January;

Contd.....

d) Violence to staff in the social services - a conference covering the Health Service, Personal Social Services and Social Security Services to be held before Christmas.

6. Finally, there are the big issues relating to the future financing, management and structure of the NHS - very sensitive and essential to be addressed in-house over the course of the next year.

7. Over and above all of this, there are new opportunities to be explored for example contracting out the management of NHS hospitals to the private sector, and the purchase of certain facilities from the private sector to improve patient care, again, politically very sensitive but areas on which virtually no progress has as yet been made.

8. Hazards. There is one issue on which we cannot afford obscurity. Sir Roy's role is advisory, not executive; decisions are for Ministers; and the NHSMB staff are under the line management of the Chief Executive (Mr. Peach). We will kit Sir Roy out with an office and a staff officer/private secretary in the Department.

K.R.S.

K.R. STOWE
25 September 1986

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522 ext 6981

From the Permanent Secretary

Sir Kenneth Stowe GCB CVO

Nigel Wicks, Esq.,
No. 10 Downing Street,
LONDON SW1

24 September, 1986

Dear Nigel.

At the meeting yesterday morning with the Prime Minister, I mentioned the squalid conditions at the Bethlem Royal and Maudsley Hospitals.

You might like to see as background:

a) the official note that was prepared after Lady Trumpington visited the Hospitals; and

b) a copy of the note I sent yesterday to the relevant Division.

I enjoyed the P.M.'s response

Yours ever
Ken

P.S. I have been taken to task for my unreasonable minutes, by those concerned!

File

1F

Miss Hensman 23/9

BETHLEM ROYAL AND MAUDSLEY HOSPITAL

1. My first reaction to this depressing set of papers (your minute of 19 September) is to want to sack somebody: the Chairman or the domestic services supervisor or the outside contractors, or the Head of RL or the Permanent Secretary at DHSS. Does everybody in authority in the hospital and the Department understand this will not do?

2. My second reaction is to want to use the power of publicity: I would like to instruct the SHA to have an open day for the press, including TV cameras on 1 January 1987 and tell everybody concerned that this is going to happen (remember Rampton).

3. My third reaction is to want to call in the Salvation Army - from my direct observation they might be rather better at least in caring for disturbed people in a clean environment.

4. Must we wait for December for action?

KRS

23 September 1986

K R STOWE

cc 23/9

PS(L)
PS(H)
Mr Podger
Mr Hart

NOTE OF A VISIT TO BETHLEM ROYAL AND MAUDSLEY HOSPITALS: 29 JULY 1986

Baroness Trumpington accompanied by - Dr Pamela Mason
Dr John Reed

Visitors were welcomed and conducted around the hospitals by Dr Ivan Clout, Chairman of the Special Health Authority.

1 The visit followed a visit by MS(H) on 15 May 1986 and the reception of a delegation from the SHA about their financial situation (12 June 1986).

2 Bethlem Royal and Maudsley Hospitals are managed by a Special Health Authority. They contain 522 beds, 228 at Bethlem Royal and 294 at the Maudsley. The associated Institute of Psychiatry is part of the University of London. Together the hospitals and Institute form by far the largest psychiatric training and research establishment in the UK. They have a distinguished clinical, teaching and research record and the Institute was awarded an alpha + in the UGC review of research.

This visit was notable for a gross discrepancy between the clinical and research presentations which were very good and the general state of the wards and out-patients department.

3 **Presentation of service and research:**

3.1 Bethlem Royal Hospital - Dr Kumar: Mother and Baby Unit:

This unit serves much of SETRHA, to some extent the rest of London and also further afield. Patients stay up to one year. One limit on stay is the availability of the unit to cope with toddlers. Increasing demand was said to be leading to overcrowding.

Comment: The unit appeared pleasant and well equipped and to balance service and research needs. Problems must arise when mothers and babies are admitted from a distance for more than short spells.

- Dr MacKeith: Denis Hill Unit:

A purpose built regional secure unit acting as hub of SETRHA services. About 30% of patients are non-forensic, highly disturbed cases. Six beds are at present 'rented' by NETRHA. (Until St Thomas' demands increase and NETRHA are met elsewhere).

Comment: A very recent opening. Some design faults being overcome. Security was not oppressive. A pleasant unit.

3.2 Maudsley Hospital - Professor R H Cawley: Ward 6:

Presentation of general psychiatric care for local and distant patients with emphasis on individual nursing care and treatment programmes.

Comment: This pattern of care is now becoming widespread. It depends very much on the availability of high quality nursing staff.

- Dr S Checkley: Metabolic Ward:

One of joint hospitals' specialised units taking patients from all over the country who are resistant to usual treatments. Special interest in affective disorder and phototherapy.

- Dr J Connolly: Emergency Clinic:

A 24-hour walk-in service seeing about 6,000 patients a year; two-thirds are local patients. Appear to suffer a very high level of actual or threatened violence. Need for examination of role of this service highlighted in recent Health Advisory Service Report.

3.3 At lunch PS(L) met Eric Byers (General Manager), Professor Lishman (psychiatry and physical disease of brain), Professor Wing (social psychiatry), Dr Birley (Dean of College of Psychiatrists and Community Psychiatry), Dr J Connolly, (Emergency Clinic), Professor Isaacs (behavioural psychotherapy, community nursing).

4 **Overall impression:**

4.1 The clinical and research presentations demonstrated a high level of medical and nursing care with sympathetic and concerned staff.

4.2 The physical surroundings were often dirty and at times squalid. Overall the physical state of the Bethlem appeared better than the Maudsley where a new Unit General Manager will shortly take up post. The physical structure of the wards at the Maudsley is unsuitable for modern psychiatric care but only part of the problem of the physical environment at the Maudsley is due to this. The walls and floor were dirty. In the out-patients canteen area the floor was filthy. Beds in the dormitories often appeared to have been unmade for some time - either by patients or nurses. The dormitory areas are particularly overcrowded and have probably been made worse by previous 'improvements'. Some patients did not have bedside lockers and most had little or no privacy in their bed areas. In the main there were no bed curtains.

The emergency clinic was poorly furnished, stark and had no pictures on the wall.

4.3 Dr Clout (Chairman SHA) gave his analysis of the management problem. He described conditions on the wards at the Maudsley as the worst he has seen in a psychiatric unit. He blames -

(i) a very weak management under the previous house governor (who however left a year ago),

(ii) failure of medical leadership over the years.

Dr Clout has himself been Chairman of the SHA since 1982 - reappointed in 1986 for 2 years only. A General Manager (Eric Byers) with effect from October 1985, but as yet has inadequate supporting management in post.

5 **Conclusion:**

The hospitals, especially the Maudsley, give a picture of poor administration over many years. All staff now appear to blame lack of money as the main cause of their problem.

It is not clear to what extent the dirt and squalor are apparent to senior medical, nursing and administrative staff.

August 1986

FILE J

SECRET AND PERSONAL

COPY NO. 4 OF 4 COPIES
PAGE NO. 1 OF 3 PAGES

SUBJECT cc MASTER

meeting record

7

10 DOWNING STREET

LONDON SW1A 2AA

23 September 1986

From the Private Secretary

Dear Tony,

NATIONAL HEALTH SERVICE

The Prime Minister met your Secretary of State today to continue their discussion of 29 July, (which was recorded in my letter of 30 July) about the future of the National Health Service. Sir Kenneth Stowe was also present.

Your Secretary of State suggested that policy on the NHS should be considered in two timescales: the next 12 months and the next 5 years. The aim should be to make the existing NHS arrangements work as well as possible over the next 12 months while devising, behind the scenes, an agenda for the next five years.

The next 12 months

It was agreed that the presentational initiatives agreed at the Prime Minister's meeting on 9 July (and recorded in my letter of the same date) needed to be pursued vigorously by the new team at the Department. The Prime Minister suggested that the Department might inspire sympathetic organisations to conduct polls which would illustrate the widespread satisfaction of those treated by the NHS with its services. In addition, the following two initiatives should be followed up urgently:-

(i) The establishment of a clearing house through which patients facing long waiting lists at local hospitals could have the opportunity of seeking their treatment at hospitals in a different locality where waiting lists were shorter. This scheme probably needed to be run outside the Regional Health Authority structure, though clearly the Authorities would need to be fully associated with it. As part of the arrangements, there needed to be systematic arrangements for the publication of advertisements in appropriate newspapers, say every quarter, which indicated the relative waiting times for certain treatments in different localities. It was recognised that the co-operation of the consultants would be essential to the scheme's successful operation.

JB. ds

Every effort should be made to instil as much competition and publicity as possible into the system so that consultants and others would be given every incentive to perform well. The contract for the establishment of the clearing house arrangements could be put out to competitive tender. Private and Service hospitals could be brought within the ambit of the scheme;

(ii) The establishment of a central pool of funds under the Secretary of State's control. This could be used, among other things, for encouraging the Regional Authorities to submit "bids" for funds to be used specifically to reduce waiting lists. Funds would be allocated to those schemes which did most to reduce waiting lists.

The Prime Minister would like to be kept in close touch with the development of these two initiatives and I suggest that your Secretary of State should provide her with a progress report in, say, three months' time. Your Secretary of State will, of course, need to agree the financing of the initiatives with the Chief Secretary in the normal way.

BF 11

The next five years

While the Prime Minister was reluctant to set up Royal Commissions, there might be a case for establishing one to examine future financing and organisation of the NHS. What was certain was that the Government needed over the next year to feel its way forward in developing its ideas on the NHS. It was important to devise arrangements which encouraged competition within the NHS while maintaining its present advantage of cost control. Any new arrangements should guard against tying the Service to one source of finance. In any new organisation for the Service it would be important too to maximise local options, local financing and local voluntary effort and support. Your Secretary of State said that he would carry forward thinking in his Department on these issues and keep the Prime Minister in close touch.

The National Health Service Management Board (NHSMB)

Your Secretary of State said that he had concluded that the Minister of Health should be made Chairman of the NHSMB and that he should be assisted by a Chief Executive/General Manager. This prescription followed Sir Roy Griffiths' diagnosis that power and responsibility resided with the Minister. The Chief Executive would act as a progress chaser, ensuring action took place. He had not yet decided whom to nominate as Chief Executive, though Mr Peach, who was performing well as acting Chairman, was a real possibility. The Prime Minister agreed that the Minister of Health should become Chairman of the NHSMB. She would await proposals from the Secretary of State for his Chief Executive.

The Secretary of State said that he was anxious to use the talents of Sir Roy Griffiths to act as his Special Management Adviser in much the same capacity as the Prime Minister used Sir Robin Ibbs in pushing forward the drive for efficiency in Central Government. Sir Roy could play an important part in establishing and operating the two initiatives referred to above. The Prime Minister urged your Secretary of State to try to use Sir Roy's talents in this way and said that your Secretary of State could appeal to him in her name for his help. She was very ready to see him at any time if the Secretary of State thought this helpful.

The Prime Minister urged your Secretary of State to carry forward his thinking on the development of the NHS and said that she would welcome a further discussion.

I am sending a copy of this letter to Sir Kenneth Stowe.

Yours ever,
Nigel Wicks

N.L. Wicks

Tony Laurance, Esq.,
Department of Health and Social Security.

PRIME MINISTER

NATIONAL HEALTH SERVICE ORGANISATION

The meeting tomorrow morning is a continuation of your discussion before the holidays with Mr. Fowler about his paper below. The record of your earlier discussion is also below.

You may want to take this opportunity to ask Mr. Fowler about:

1. establishing some computer-based procedure whereby patients facing a long waiting list at their local hospital can have the opportunity of going to another hospital in a different locality for their operation where waiting lists are shorter.

2. the creation of a small fund essentially managed by the DHSS which the Secretary of State would use to fund local medical initiatives, e.g., research, special treatments, etc.

You may also want a brief word about the dinner next Thursday with the Regional Health Authority Chairmen.

N.L.W.

NLW

22 September, 1986.

JD3AQT

DHSS say no action unless they show we back

GR
CF

Put on file. No action unless DHSS come back to us

PUS

MR ADDISON

DAILY MIRROR

The Private Secretary to the Secretary of State for Social Services seeks the Prime Minister's views on their proposed reference of the Daily Mirror to the Press Council for inaccurate reporting of NHS matters.

Questions of Procedure for Ministers (Para 122) say that Ministers who wish to make a complaint to the Press Council must have the authority of the Prime Minister.

I have great sympathy with the DHSS both over the nature of the campaign waged against the NHS by the Mirror and the Mirror's one-sided treatment of the issue and refusal to print the facts. I believe there is a good case of biased, unfair and unethical journalism to be made against the Mirror before the Press Council.

But:

1. We cannot guarantee that the Press Council will see things our way; it is very unreliable and it would be a serious embarrassment for the Government not to have its complaint upheld.

2. The DHSS is proposing a reference which, so far as I can see, is unsupported by the various hospitals or Health Authorities whose evidence is nonetheless quoted in support of DHSS's case; this greatly weakens the DHSS's position and could be used as an excuse by the Press Council to have nothing to do with the complaint.

3. The format of the complaint in any case gives the Press Council every get out. For example, the draft reference asks the Press Council for its views; it

should ask it to condemn Mirror journalistic practice as biased, unfair and unethical because it consistently fails to give both sides in particular sample cases. In short, the objective of the proposed reference is not clear. Even if a reference were contemplated, there is no point in making a complaint on the lines drafted.

We are, I fear, in the current situation because DHSS, having failed to organise to meet the Mirror's campaign as it was emerging, feels it has no recourse left but to go to "court". But it has chosen to operate through highly unreliable and possibly counter productive channels.

Recommendation

A reference to the Press Council should not be approved.

The Prime Minister should draw a line under the Mirror episode to date and require any new NHS Ministerial team at DHSS to deal effectively at the outset with biased, unfair and inaccurate anti-NHS campaigns.

BERNARD INGHAM
9 September 1986

CONFIDENTIAL

CABINET OFFICE
WHITEHALL, LONDON SW1A 2AS

Chancellor of the Duchy of Lancaster

Tel No: 233 3299
7471

9 September 1986

Jane McKessack
Private Secretary to the
Secretary of State for Social Services
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
LONDON
SE1 6BY

Dear Jane,

DAILY MIRROR

Thank you for copying to me your letter of 3 September to Mark Addison, with its attachments.

The Chancellor shares the deep displeasure of Health Ministers at the nature of the "Mirror" articles. He feels that the fact that the Daily Mirror felt able to pursue a campaign of this kind is symptomatic of the failings in presentation of the Government's policies and record on health services at that time. It shows the dangers of a reactive approach to news generation but, where necessary, the importance of immediate responses to damaging material. The enthusiasm, effectiveness and loyalty of the staff charged with this responsibility is vital.

Nevertheless, this experience has shown in practice the difficulty of effectively combatting a newspaper campaign which combines malicious and incorrect reporting with obduracy in the face of evidence. The Chancellor would welcome taking the opportunity which this has presented to review the ways in which media contacts within the NHS are handled and, in particular, the response which should be made, at a national or a local level, to similar biassed and pernicious reporting. He believes this is something with which Conservative Central Office may be able to assist.

As to the question of legal or other action against the Daily Mirror, the Chancellor agrees with the conclusion that it would be inadvisable for Mr Whitney to take legal action. He would also counsel against a report to the Press Council.

As to positive measures, the Chancellor would hope that further efforts can be made to counter the Mirror campaign by exposure of their reporting methods perhaps through another newspaper. Or perhaps a further debate on the adjournment could be used to expose the Daily Mirror, following up Mr Whitney's remarks in the debate on 1 July and the parliamentary questions on the subject answered immediately prior to the recess.

The Chancellor particularly feels, however, that a more effective response might be for a Health Authority to take the Daily Mirror to court. Could you comment on this possibility?

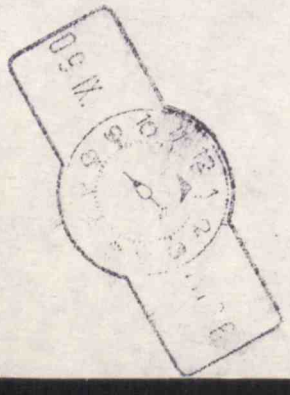
I am sending a copy of this letter to Mark Addison (No 10), to Murdo Maclean (Chief Whip's Office) and to Michael Stark (Sir Robert Armstrong's Office).

Yours Sincerely,

Andrew Lansley

ANDREW LANSLEY
Private Secretary

NAT HEALTH
EXPENDITURE
PTG.



CONFIDENTIAL

CCBG

B.I. (w/out encs)

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

ANNEXES TO LETTER IN ATTACHED FOLDER

Mark Addison Esq
10 Downing Street

3 September 1986

Dear Mark

DAILY MIRROR

When the Prime Minister discussed the presentation of the NHS with my Secretary of State at the meeting on 9 July the possibility of reporting to the Press Council instances of inaccurate reporting of conditions in NHS hospitals by the "Daily Mirror" was considered. Mr Ray Whitney had already been in correspondence with the Mirror about some of their grosser inaccuracies, and contact between him and the Mirror has continued since, both about new stories and about the earlier examples. Among other things, this has led the Mirror to call him a liar both in a headline and in the body of the article in the 10 July issue. Mr Whitney is consulting the Law Officers about the possibility of starting proceedings for libel but, quite apart from the legal uncertainties, there are clearly other difficulties about this course which Mr Whitney fully recognises. Ministers are therefore now minded to report the Daily Mirror to the Press Council.

I enclose a draft of a letter which we might send to place a complaint before the Press Council. We have thought it best to focus the complaint on four particular instances of inaccurate and misleading reporting, and the Mirror's reaction to our comments about these stories. However, these instances are set against the background of the Mirror's long running campaign.

In line with the normal procedure in such cases, I would be grateful if you would seek the Prime Minister's views on this course of action.

I am copying this letter to Andrew Lansley (Chancellor of the Duchy's office), Murdo Maclean (Chief Whip's office) and to Michael Stark (Sir Robert Armstrong's office).

Yours sincerely

Jane McKessack

JANE MCKESSACK
Private Secretary

DRAFT

The Secretary
The Press Council
1 Salisbury Square
London EC4Y 8AE

I am writing to ask you to place before the Press Council a complaint about the conduct of the "Daily Mirror" in the campaign it has been conducting about "cuts" in the National Health Service. The complaint relates in particular to four stories and to the way the "Daily Mirror" reacted to the Department's comments about those stories. This letter briefly describes the campaign and the four stories which are the basis of the complaint. The annexes provide details and supporting evidence.

NHS "CUTS"

The "Daily Mirror" has for some months been running a compaign about cuts in the National Health Service (examples of the articles featured are at Annex A). They have done so by featuring stories about particular patients who they suggest would have received a better service if there had not been "cuts". They have also featured particular hospital facilities which they suggest have deteriorated, or have not been improved as they would have been had there not been "cuts".

It is important to make clear that the Government does not claim that there are no problems in our hospitals. However, expenditure on the NHS has gone up by about 24% more than general inflation since 1978/79. Between 1978 and 1984 the number of in-patient cases dealt with went up by 15%, the number of day case attendancies 61%, and the number of out-patient attendancies 9%. In the same period, the number of nurses has increased by 5%, even allowing for a shorter working week, the number of family doctors went up by 14% and the average family doctor had 10% fewer patients on his or her list.

Although the general picture is of growth, not "cuts" in the NHS, this is not to deny that some hospitals, no longer suited to modern conditions, have closed, thus freeing resources for more effective ways of providing health care, whether in more modern hospitals or for treating patients living in the community. Like other organisations, hospitals also sometimes find that they need to review their activities in order to reduce their rate of expenditure and so stay within their allocated budgets. This may mean that in a particular instance some existing services have to end or be suspended. Equally, there is a constant search for greater efficiency, effectiveness and economy. This naturally leads to changes, including the ending of traditional ways of doing things.

Against this background, we find the "Daily Mirror's" campaign about "cuts" more than a little one sided. However this letter is not a general complaint about this lack of balance, but it does set the context for the cases described below.

Middlesex Hospital (Annex B)

On 3 March 1986, the "Daily Mirror" carried a story about the death of a four month old baby it called "Sara" who died three days after she was discharged from the Middlesex Hospital, London. The story by Jill Palmer was under the headline "Baby Sent Home to Die". The story alleged that "Sara" was discharged "because her bed was needed for another child", that "Health Service cash cuts were blamed for the tragedy", and that "Bloomsbury Health Authority have defended their cost-cutting decision".

The Bloomsbury Health Authority, the authority responsible for the Middlesex Hospital, issued a statement the same day denying the death was in any way connected with any reductions in beds at the hospital. Protracted correspondence between the Parliamentary Under Secretary of State for Health, Mr Ray Whitney, and the "Daily Mirror" followed (see Annex B). This rests with a letter by Mr Whitney to the Editor printed on 11 July and a comment by the "Daily Mirror" on the same page under the heading "We Reply ....."

> "Mr Whitney is wriggling."
>
> Fact 1. The baby WAS healthy in hospital but she was sent home to a slum to die.

Although the "Daily Mirror" has at last accepted in public that the child was healthy when discharged from hospital, it has not accepted that the decision to discharge her was not "because her bed was needed for another child" nor that the decision to discharge the child was not connected to a "cost-cutting decision".

Baby Kelly (Annex C)

On 28 April 1986 the "Daily Mirror" published a story by Jill Palmer under the headline "Micro Mite! Baby Kelly beats cash cuts". The article went on to say "that she nearly didn't make it into the world, because of health service cuts".

"When Kelly's mother Linda went into labour three months early, the local baby care unit turned her away because they were full." However, because of her medical history Kelly's mother Linda had been classified as a patient "at risk". Consequently, and given the fact that the baby would be three months premature, medical staff decided when she entered her local hospital that it would be in the best interests of both her and her child to transfer her to a hospital with a specialist neo natal intensive care unit. She was therefore transferred to St George's Hospital, Tooting where appropriate facilities and expertise were available.

Correspondence followed between the Parliamentary Under Secretary of State for Health, Mr Ray Whitney and the "Daily Mirror". This ended with the "Daily Mirror" printing a letter from Mr Whitney on 11 July pointing out that the mother needed specialised care. On the same page the "Daily Mirror" said under the headline "We Reply .....

Fact 4. "The baby nearly didn't make it because the local hospital turned her mother away."

The "Daily Mirror" has failed to establish that the mother was transferred from her local hospital because of "cuts".

Addenbrookes Hospital (Annex D)

On 14 May under the headline "Yet another health scandal - but who's listening?" the "Daily Mirror" reported "in the middle of a vital operation on a desperately sick child a hospital's life support machine broke down".

"As surgeons and anaesthetists battled to keep the child breathing, staff raced from the operating theatre to borrow another machine."

"Thankfully, a spare ventilator was found in the intensive care unit. The child's life was saved."

The article included quotes attributed to the Consultant Anaesthetist, Dr John Farman about the age of an existing ventilator and fears that it would break down without a substitute being available. Dr Farman wrote to the editor on 15 May complaining about the article "which will cause quite unnecessary anxiety to the parents of sick children coming into our hospital. None of us working here has experienced the sudden failure of a life support machine in the middle of an operation on a child, as described in the article, and I believe your story to be totally untrue."

The article quoted its story about a life support machine breaking down as "yet another example of the effect Government cash cuts are having on the health service".

The "Daily Mirror" has not printed this letter and despite correspondence between the Parliamentary Under Secretary of State for Health, Mr Ray Whitney, and the "Daily Mirror" they have stuck to their story. They said "we did not publish his [Dr Farman's] letter because its contents, for whatever reason, so clearly contradicted what he had told Miss Palmer."

Maudsley Hospital (Annex E)

On 3 July 1986 the "Daily Mirror" carried a story by Jill Palmer under the headline "hospital makes patients sleep in the corridor. Cash cuts blamed for "months of suffering"". The article claimed "Wards are so overcrowded at London's Maudsley Hospital that staff have squeezed extra beds in a passage next to toilets."

The article went on to allege that the hospital "may have to close its alcoholic in-patient unit, drug dependency clinic, and mentally handicapped children's ward."

The Parliamentary Under Secretary of State for Health, Mr Ray Whitney, wrote to Mr Richard Stott, the Editor of the "Daily Mirror" on 3 July refuting these allegations and repeating the request for a right of reply which had been previously made in relation to earlier stories.

On July 10 in an editorial "Mirror Comment", the "Daily Mirror" accused Mr Whitney of being a liar. The article said "you pester the Editor with fiction about Jill Palmer." "FICTION: you said her July 3 report of Maudsley Hospital patients having to sleep in the corridor was untrue. FACT: it was true. We can prove it."

On July 11 the "Daily Mirror" published a letter from Mr Whitney refuting the allegation that patients have to sleep in the corridor. The "Daily Mirror" accompanied this letter with a story "We Reply ..." in which it said "FACT 3. Two Maudsley consultants, Professor Gerald Russell and Dr Peter Noble showed Jill Palmer the beds in the corridor which you deny exist."

It is accepted that in order to get access to the toilets and other parts of one ward, patients need to walk through a four bedded dormitory occupied by other patients. It is clearly a matter of judgement whether this counts as a "corridor". Contrary to the impression given by the "Daily Mirror" article this is not a new situation having been used in this way at least since the 1970s and therefore is not a result of "cash cuts".

Conclusion

We would be grateful to receive the observations of the Press Council on the way the "Daily Mirror" has handled the four stories mentioned above as part of its campaign about "cuts" in the National Health Service. We will of course be happy to furnish any further information or to assist the Press Council in any other way in its consideration of this complaint.

Yours sincerely

[redacted]

HOUSE OF COMMONS
LONDON SW1A 0AA

31.8.86

CONFIDENTIAL

Dear Prime Minister.

Having spent almost eight weeks in NHS hospitals during the last 18 months, I am more than ever convinced that our performance in the Health Service will be one of the crucial issues at the next General Election.

In spite of the 24% increase in NHS resources since 1979, there is a general perception amongst staff and patients that we have not delivered what we promised. Ministers seem to have lost the initiative and we face strong and continuous criticism from consultants and GPs, as well as hostile publicity over 'cuts', whether real or supposed. And although we have a good factual case, and though much of the criticism is self-interested where it is not politically inspired, we are in grave danger of losing the argument - particularly in areas like the South-East, where the combination of RAWP and steadily growing demand for services has brought matters to the point where the search for economy has become politically suicidal.

Against this background, I do not believe that the problem can be solved simply by Ministerial changes. There may well be a case for change at junior levels in the DHSS, and I should certainly be in favour of this, as would most colleagues, I think. But a new Secretary of State will not be able to make any impression in time to restore confidence in the Government before the Election unless significant additional resources are made available - and if this can be done, there is much to be said for keeping Norman Fowler where he is.

Any extra money must be put to swift and effective use : there is no time for a 'learning curve'. The much-needed changes at junior level require continuity at the top, and it is essential that there should be real authority at the centre to direct the allocation of funds in a way that will have the desired political effect.

That said, there are also a number of ways in which performance and perceived results could be improved without major additional funding. Most important of these would be the introduction of a central clearing system for surplus capacity as between authorities, coupled with an effective means of crediting one health authority as of right for work done on behalf of another. If this could be done, it would do much to redress present budgetary nonsenses, as well as providing a real stimulus to co-operation between authorities.

HOUSE OF COMMONS
LONDON SW1A 0AA

A second, and connected, innovation would be the creation of a central fund, under direct DHSS control, for specialist treatment for which there is a clear national requirement but which is not at present capable of adequate funding from individual health authority budgets. I have one such example in my own area, where a consultant is doing pioneering work on a financial shoestring, treating patients from all parts of the UK, without any central underwriting of the resources involved. An extra £200,000 a year would solve the problem - and I believe that a DHSS fund of not more than £5 million could have a significant impact on the other similar cases that must exist.

The third candidate for reform is that of staff management. At ward level, hospital morale is still good : above that, there is a lot wrong, and much of this stems directly from the general assumption - if it is not more than that - within the NHS that staff should not be made redundant when organisational change occurs. This means that necessary restructuring does not reduce numbers and save costs, because 'jobs' still have to be found for unwanted staff. This is surely an area where central direction must be asserted, and we should not be afraid of union resistance.

One final area which does need extra money - the care of the old and infirm. Demand in this field has grown enormously : the burden on individual families is causing increasing problems, both social and political : and the lack of adequate facilities for residential care is in many cases compounding the shortage of hospital beds and adding to NHS staffing costs. There may be no quick answer available, but I believe it is very important that we should now be seen as having identified the problem and being willing to tackle it.

I hope some of these thoughts are helpful - even if none of them is necessarily new.

Yours sincerely,

Cranley Onslow.

Rt.Hon. Mrs. Margaret Thatcher, MP,
10, Downing Street,
London SW1.

SECRET

Prime Minister (2)

(6)

You ought to know that these difficulties will be coming to a head next week. Treasury Solicitors have been consulted. MEA 29/8

DEPARTMENT OF HEALTH AND SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522

From the Secretary of State for Social Services

1. NW - file
2. DN - file
3. CF

Mark Addison Esq
10 Downing Street
London
SW1

29 August 1986

Dear Mark

EAST DORSET HEALTH AUTHORITY

My Secretary of State believes that the Prime Minister should be made aware of serious difficulties which have arisen in East Dorset District Health Authority. There is added significance because the Party Conference will be in Bournemouth where it is intended to draw attention to the major NHS building programme underway. The recently appointed Chairman, Councillor Robert Wotton, has lost the confidence of the Authority Members and seems incapable of devising and carrying through a strategy for restoring working relationships. The deterioration of relationships, which led to a formal vote of no confidence on 4 August, has jeopardised the working of the DHA in a large District servicing over 400,000 people with a budget of around £70 million. Councillor Wotton, age 47, is a long-standing Conservative Councillor, and was latterly Mayor of Bournemouth.

The basis of the differences has been the Chairman's disregard of the legal doctrine of collective Authority responsibility. It was triggered by his announcing, in response to a Press enquiry, on 16 June that at their next meeting he would ask the Authority to reconsider a competitive tender awarded three days previously by the DHA, meeting in Mr Wotton's absense on leave under its Vice-Chairman. The press had been following-up allegations by a Labour Councillor/DHA Member that misleading information had been given about the areas to be cleaned and cleaning standards, which put 100 jobs at risk. Mr Wotton felt this was a damaging and sensitive allegation that required an immediate response. "Reconsideration" in strict terms was ultra vires without a motion signed by seven Members. It is clear that the Members believed Mr Wotton had acted discourteously (no prior

E.R.

consultation), inefficiently (throwing doubts on how the private company and Hospital Managers should proceed), without proper regard to Standing Orders and in a manner which suggested the Chairman preferred public relations to working relationships with his Members.

It ought to have been possible to settle the issue. But by his conduct at the July DHA meeting and through further press comment, Councillor Wotton has widened the rift with his Members. The Vote of No Confidence, carried 10-2 at an Extraordinary Meeting of the DHA, was supported by a wide range of Members including three Local Authority nominated members with a Conservative, a Labour, and a Liberal allegiance.

Over the past ten days the Minister for Health has tried to promote a reconciliation between the Chairman and Members, he has seen Councillor Wotton and also a group of experienced Members who supported the No Confidence motion, and has spoken to two of those Members who support Councillor Wotton. Mr Hayhoe has concluded that the majority of Members, including many with an impressive record of public service, do not believe that Councillor Wotton can deliver a changed style of leadership. Having seen the full notes of the meetings which have taken place, and a formal exchange of letters which took place with Mr Wotton following those meetings, the Secretary of State agrees with this.

Councillor Wotton is a well-known local politician and his "popular" style has attracted support, especially in some of the local media. At the Secretary of State's request the Minister for Health saw him earlier today to tell him that we regretted the breakdown of relationships on the Authority but felt they were now irretrievable. The Minister made it quite clear that in the circumstances (as an alternative to dismissal), a resignation "in the interest of the health services for the people of East Dorset" would seem to be the best course for presenting Mr Wotton's departure in a dignified manner which would minimise public comment and controversy. Mr Wotton seemed more concerned with the financial implications of his going, and he may yet choose resignation if he is satisfied with our response to his claim for expenses which he says he has incurred as a result of his appointment as Chairman. His detailed claim will be given urgent consideration early next week and Ministers hope it can be dealt with satisfactorily. If matters are not resolved by resignation my Secretary of State will see Councillor Wotton on Friday afternoon and will tell him that he intends to terminate his appointment forthwith. Unless he changes his mind at that final hour and decides to resign, the Secretary of State will then dismiss him. We understand that Mr Wotton could ask for a judicial review of the decision but we are advised that there are firm grounds for the Secretary of State exercising his powers to dismiss him because he is "of the opinion that it is not in the interests of the health service in the ... district ... that /he/ ... should continue to hold ... office"

E.R.

SECRET

I attach copies of draft press statements which might be used - that referring to resignation is dependant on Mr Wotton's attitude. I also include the exchange of letters mentioned in paragraph 4 above.

The Minister for Health has spoken to David Atkinson, John Butterfill and John Ward, and he judges that they accept that action is required. They would obviously prefer resignation to dismissal but will almost certainly acquiesce in dismissal if this proves necessary. There is likely to be some Press comment, but Ministers here hope this will pass quickly. In any event Ministers believe that a short period of discomfort now is preferable to continuing difficulties, with resignations by other Members and a breakdown of the working of the Authority which would continue into the Autumn. We will now begin a search for a new Chairman.

I am copying this letter to Joan MacNaughton and to Andrew Lansley.

Yours ever

Jane McKessack

JANE MCKESSACK
Private Secretary

Enc.

E.R.

SECRET

DAFT PRESS NOTICES

A. RESIGNATION (Depending on Mr Wotton's approach)

The Secretary of State has today accepted the resignation of Councillor R Wotton, Chairman of East Dorset DHA. Regrettably difficulties over some weeks led to a formal vote of no confidence in Chairman being passed by the Authority on 4 August. /In his letter of resignation/ Mr Wotton indicated that he placed the interests of the East Dorset people, and the quality of the health services they provided, above personal considerations. He recognised that misunderstandings had arisen in the District Authority. He did not consider them to be wholly justified but in view of the continuing differences of opinion he believed that it would be right to step down from the Chair. He wished the Authority and its staff, success in their work.

B. DISMISSAL

The Secretary of State has today dismissed the Chairman of East Dorset DHA. Regrettably difficulties over some weeks led to a formal vote of no confidence by the Authority in Mr Wotton's Chairmanship. And subsequent events have indicated that normal working relationships of the Authority could not be restored under his Chairmanship. Mr Fowler has recognised Mr Wotton's distinguished record of public service but under the NHS Acts the Secretary of State has a duty to ensure that the interests of the service are fully protected. This requires that each Health Authority should work as a corporate entity and given the differences which have arisen within the East Dorset DHA the Secretary of State considered that it would be beneficial to the health service locally that a new person be appointed as Chairman. He will now begin to consider candidates for the post.

PH0592p

DEPARTMENT OF HEALTH AND SOCIAL SECURITY
ALEXANDER FLEMING HOUSE
ELEPHANT AND CASTLE LONDON SE1 6BY
TELEPHONE 01-407 5522 EXT
GTN (2915)

Your reference:
Our reference:

STRICTLY PERSONAL

R J Wotton Esq
Penthouse
Glenleven
9 Glenferness Avenue
Bournemouth
BH4 9ND

22nd August 1986

Dear Councillor Wotton,

Following your meeting with the Minister for Health on Wednesday, and following discussions which the Minister has had with other members of the Authority yesterday and earlier today, I am writing to advise you that the Minister is minded to recommend to the Secretary of State that it is not in the interest of the health service in your district that you should remain as Chairman and that therefore your appointment as Chairman of East Dorset Health Authority be terminated. Before doing so, however, the Minister wishes to put to you in writing the considerations which he has taken into account so as to give you an opportunity to reply.

Before turning to specific points I should remind you that the legal powers and duties to provide services within a district are placed upon the Authority as a whole, acting collectively. Responsibility therefore lies with the Authority as a corporate body; the role of Chairman is to lead the Authority by ensuring collective discussion, and by ensuring that the Authority engages in effective strategic and operational planning and review, that all key issues are fully and properly debated at meetings and clear decisions reached, that officers provide all necessary information and that good use is made of individual members' aptitudes and experience. It is therefore crucial for the smooth running of the health service that the Chairman and other members of the District Health Authority can work together, and that the officers and professional and other staff have confidence in them.

Against this background it appears that your capacity to act as Chairman of the Health Authority is insufficient to gain the confidence of the other members of the Health Authority: you are, I believe, aware of the allegations which have been made against you. On the basis of the record of the 4 August meeting and the Minister's subsequent discussions it appears that your

E, R.

interpretation of the role of Chairman is misplaced and that you have not appreciated that responsibility lies with the Authority; that you have acted precipitately, and have failed to arrive at decisions by consensus, and have failed to consult other members of the Authority before acting; that you have put media considerations before those of the Authority; that you have been slow to acquaint yourself with the strategic requirements of the district, and that you have not, in general, properly informed yourself.

Failure to obtain the confidence of other members was formally shown by the vote of no confidence on 4 August 1986. In your comments at that meeting you spoke of working together and consultation, and you reaffirmed these views in your letter of 14 August to Sir Bryan Thwaites, when you stated that the way forward, so far as you were concerned, was primarily to build bridges and continue to preserve the good name of the Authority. Since the vote you have made no effective attempt to build bridges: you explained to the Minister that you felt as if you were in limbo, that you were waiting for your position to be confirmed and that you felt it was the wrong time to build bridges. On the other hand you saw fit to speak to the Press through which you are reported as saying that the vote of no confidence was "politically motivated" and part of a "political and personal vendetta" against you. You told the Minister that these serious charges were based on a remark made to you by one Councillor but provided no other evidence to substantiate your assertions which are repudiated by others. Your views as reported in the Press would not seem consistent with your expressed desire to build bridges.

It seems clear to the Minister that your relationship with many members of the Authority has irretrievably broken down, and that you are not in a position to re-establish the necessary and continuing relationship which is required in the interests of the health service in East Dorset.

I would be grateful if you could let the Minister have your response by the morning of Wednesday 27 August, and I understand that he would then wish to see you again.

Perhaps I should add that neither the text of this letter, nor any indication of its contents, is being released to the press by the Department.

Yours sincerely

A. J. Merifield

A J MERIFIELD
(Director of Regional
Liaison)

RECEIVED IN THE
OFFICE OF
27 AUG 1986
THE SECRETARY
OF STATE FOR
SOCIAL SERVICES

The Penthouse
"Glenleven"
9 Glenferness Avenue
Talbot Woods
Bournemouth BH4 9ND
Dorset

STRICTLY PERSONAL

26th August 1986

Barney Hayhoe Esq.,
Minister of Health,
Department of Health & Social Security
Alexander Fleming House
Elephant & Castle
London SE1 6BY

Dear Minister

I have the letter dated 22nd August, signed by Mr. Merrifield, and note the contents.

In view of this, there are several points I would like to clarify.

1. Due to your recommendation to the Secretary of State it would appear there are now two options open to me.

(a) To resign as Chairman of the E.D.H.A.
(b) To await the final decision from the Secretary of State.

2. Clearly it would save the Authority much further embarrassment if I were to adopt (a) but this would pose further questions.

3. As my business has been re-structured to allow me ample time to devote to Health Authority matters, I have engaged additional staff to cover this and there would be serious financial implications if my remuneration from the Authority were to cease. In view of my contract letter of appointment from the Secretary of State, that it would run unto 1990, would I be entitled to a disbursement?

4. Should the Secretary of State not rule in my favour, would I be entitled to a right of appeal and if so, to whom?

There are a few other points I would now also like to mention to you.

You spoke at our meeting about how I was able to start building bridges. When Professor Sir Bryan Thwaites asked me to meet him in Winchester, he told me then that some Members of the Authority were to move a vote of "no confidence" in me after taking his advice. Until then I had no idea this was to happen, and the Regional Chairman made no effort to get us together to resolve our differences.

As a result of this I asked the vice-Chairman to meet me at the Royal Victoria Hospital and suggested we sort it out between us. He was not interested in this proposal and said it was up to the Members. Two days later the motion asking for a special meeting was hand delivered to me at my home.

It/-

It is my opinion that should the Secretary of State decide to dismiss me it would be establishing a dangerous precedent. If this were to happen it would mean that any Authority could move a vote of "no confidence" and gang up to remove their Chairman. The Chairman of their choice could then be installed.

Councillor Brushett informed me that he and other Members had been under great pressure to sign and the matter was political. Councillor Hayward, deputy leader of Dorset County Council was present at that time. Mrs. Cook, another Member suggested taking the motion round for Members to sign and was stating that unless I resigned some of the Members would. Could this be construed as political blackmail?

As a committed Conservative, I must confess to be disappointed at your recommendation. I am Deputy Mayor of Bournemouth, Vice-Chairman since 1981 of the County Police Authority and Vice-Chairman of the Borough's Policy Committee. I am one of only three Conservatives in the whole of the Bournemouth East Constituency who retained a seat at the last County Elections.

The matter has attracted enormous interest in the local press (I attach a copy of the Leader Column dated 5th August), local radio and TV South. I am anxious to avoid a showdown with my own Party which would be most damaging, in my view.

After only five months in office there has hardly been time to settle in but under STANDING ORDER 50, I felt it was my duty to defend the Authority after the public attack by Councillor Brushett and others stating the Committee had been seriously misled over the cleaning contract at Poole Hospital.

My only "crime" was to bring it back for another look to clear the air. Surely when over 100 jobs were at stake we Conservatives have to be seen to be caring.

Judging from the response, the public would appear to agree with me.

You also spoke at our recent meeting of interviewing four Members of the EDHA., two for me and two against. As far as I am aware the five who travelled to London to see you were not speaking in my favour.

You telephoned one of my supporters, Mr. Harry Cutler, but did not ask to meet him or the other two and I wonder why you changed your mind regarding your original statement.

If, after receiving this letter, you feel any fruitful discussion could evolve from this, I would of course be delighted to meet you again, but in the meanwhile I would be glad if you would arrange a private meeting for me with Mr. Norman Fowler as soon as it is convenient.

Yours sincerely,

Rob Wotton

Rob Wotton

c.c. The R. Hon. Norman Fowler M.P.
The Prime Minister The Rt. Hon. Margaret Thatcher M.P.
Mr. David Atkinson M.P.
Mr. John Butterfill M.P.
Mr. John Ward M.P.

We Say..

EVENING ECHO

TUESDAY
AUGUST 5
1986

Richmond Hill Bournemouth
Telephone 24601 Tele-Ads 295555

An open man

COUNCILLOR ROB WOTTON, new chairman of the East Dorset Health Authority, stands condemned for his understanding of public accountability.

What brought him under fire was his decision to reconvene a meeting which had previously resolved to put out the Poole Hospital cleaning contract to a private company rather than accepting an in-house tender for the job.

That action had been taken on the basis of claims made to him by other members of the health authority — principally Cllr. Peter Brushett — that the authority had not been given all the facts when the two tenders (from the Poole Hospital cleaning unit and from Mediclean (Ltd.) were first considered.

His motive, as he explained to the Press at the time, was to ensure "that the matter is clear in everyone's minds."

What rapidly became clear from soundings taken after yesterday's special EDHA session which passed a vote of no-confidence in its chairman by 10 votes to two was that he was being criticised not so much for forcing second thoughts on the contract award but for raising the matter with the media at all.

Mr. John Whitwell, representing consultants on the authority, described Cllr. Wotton's attitude as "somewhat cavalier" and "not appropriate" for a chairman.

Wimborne councillor, Mrs. Pat Hymers, another authority member, said, "I would have liked a better explanation than 'I am the chairman and what I say goes'."

Cllr. Wotton's reasoning throughout has been that standing orders allow a chairman to comment on "matters of urgency" without consulting with members. Cllr. Mrs. Hymers was not happy with that interpretation and neither, it seems, were the majority of the rest.

But it is a view we applaud.

Cllr. Wotton, in his recent term as Mayor of Bournemouth, and his years as a council member at both town and county level, has practised an openness which has endeared him to organs of communication but not to administrations who feel that the public should not be informed of anything until they are good and ready and then only in carefully couched terms.

His response yesterday to the no-confidence vote was that it had been "politically motivated" and was part of a "political and personal vendetta."

Given the varied and theoretically non-political nature of the local health authority, it is difficult to understand the point unless some hangover of resentment exists from other issues and even from other bodies which have members in common with the EDHA.

Cllr. Wotton, not afraid to deliver his views, has already trodden on certain toes and may well have disturbed waters more stagnant than placid.

We hope Social Services Minister Mr. Norman Fowler rules soon on his future as chairman — and in his favour since he, among a minority, seems to be practising the kind of open government we have been told to expect.

8.10

I understand the Prime Minister has spoken to Mr Whitney about the proposed declaration proceedings.

With the compliments of
~~the Legal Secretary~~

David Sergeant

18/8

Attorney General's Chambers,
Law Officers' Department,
Royal Courts of Justice,
Strand. W.C.2A 2LL

01 405 7641 Extn. 3291.

01-936-6782

01-XXX-XXXX Ext.

Communications on this subject should be addressed to
THE LEGAL SECRETARY
ATTORNEY GENERAL'S CHAMBERS

CONFIDENTIAL

ATTORNEY GENERAL'S CHAMBERS,
LAW OFFICERS' DEPARTMENT,
ROYAL COURTS OF JUSTICE,
LONDON, W.C.2.

Our Ref: 400/86/205

18 August 1986

Mrs M A Morgan
Solicitor's Office
Room B918
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
LONDON S E 1

THE DAILY MIRROR - REFERENCE TO THE PRESS COUNCIL

I enclose a copy of a letter the Solicitor General is sending today to the Parliamentary Under Secretary (Health) in response to John Brockman's letter of 31 July to Michael Saunders. ATTACHED

In accordance with paragraph 24 of "Questions of Procedure for Ministers" the Solicitor General has addressed himself solely to the public interest implications of any action which may be brought in respect of the words complained of. He cannot, of course, advise on the prospects of success beyond saying that the offending words are clearly defamatory and therefore actionable at law. You will appreciate that a number of defences, including "fair comment", would be available to the Daily Mirror, and the advice of a specialist libel lawyer would be required as to the extent to which the newspaper could successfully rely upon them.

I am grateful to you for sending copies of the two versions of a possible complaint to the Press Council. As you say, any such complaint must be cleared in accordance with the procedure set out in "Questions of Procedure for Ministers" and this is not directly a matter for the Law Officers. They would only be concerned if the Council's investigation of the complaint was likely to intrude upon the confidential doctor/patient relationship, and thus be open to public interest objections similar to those which the Solicitor General has identified in respect of legal proceedings.

Yours sincerely,

D J SERJEANT

CONFIDENTIAL

2

Prime Minister:
Mr Whitney was, when last I heard, still proposing to go ahead with his libel action. This advice from the Law Officers might dissuade him.
NT 18/8

ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

~~01 405 7641 Extn~~
01-936-6407

15 August 1986

Ray Whitney Esq OBE MP
Parliamentary Under Secretary of State (Health)
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
LONDON S E 1

Dear Ray:

MT

I have seen the disgracefully irresponsible series of articles in the Daily Mirror culminating in their outrageous editorial of 10 July entitled "You're a liar, Mr Whitney". This entire campaign was clearly designed to play upon people's fears by alarming them with scare stories which are at best highly misleading and at worst simply untrue. I can well understand your anger that confidence in the NHS should be undermined in this contemptible fashion and that your personal integrity should be so unjustly called into question.

While I have no doubt that the words complained of are defamatory and actionable in law it is not of course for me to advise you on that matter: my function is limited to an assessment of the public interest implications of any action which may be brought. In making that assessment I have had regard to a number of factors including, of course, the gravity of the attack upon your character. There is however one consideration which in my view outweighs all others: that is that the proceedings would, in at least two of the instances referred to, intrude upon the intimate relationship between a doctor and his patient. In the Middlesex and Chichester cases, for example, I think you would have to call evidence of the decisions taken by hospital staff and consultants. And

/even

SOLICITOR GENERAL

even if you chose not to, the newspaper might well consider it necessary to subpoena witnesses and claim that they had been obliged to do so by reason of your bringing proceedings.

Furthermore, you might well be advised that it was necessary for the purpose of the proceedings to seek disclosure of records made by consultants and other hospital staff which are normally treated in the strictest confidence. Such disclosure would almost certainly be resisted by the Regional Hospital Boards, in default of the patients' consent, and as to any records which were the property of the Crown any request for disclosure by a Minister acting in his private capacity would be embarrassing and would very probably have to be resisted in the public interest.

No doubt these grave difficulties have occurred to the Mirror's libel lawyers who presumably sanctioned publication of the scandalous editorial.

DEPARTMENT OF HEALTH AND SOCIAL SECURITY
SOLICITOR'S OFFICE, Room B905,
Alexander Fleming House, Elephant and Castle
LONDON S.E.1
Telex: 22106
Telephone: 01-407 5522, *ext.* 6706

Your reference:
Our reference:

DEPARTMENT OF LAW OFFICERS
- 4 AUG 1986

M Saunders Esq
Legal Secretary
Law Officers' Department
Royal Courts of Justice
Strand
LONDON WC2A 2LL

31st July 1986

Dear Saunders,

The Parliamentary Under Secretary (Health) has requested that I write, pursuant to paragraph 24 of "Questions of Procedure for Ministers", to seek the view of the Law Officers in connection with an action for defamation which he is contemplating taking against the Daily Mirror Group of Newspapers in respect of an editorial which appeared on 10th July (flag A in the bundle) entitled "You're a liar Mr Whitney". In accordance with the advice in paragraph 24 he has not yet sought advice from his own solicitors.

Over the past few months, the Daily Mirror has run a number of NHS "scandal" stories alleging in each case that these are further examples of the effect of NHS cuts. In each case, investigation has shown the stories to be completely untrue or very seriously distorted.

A summary of the main allegations, about incidents at the Middlesex, Maudsley, Addenbrookes and St George's hospitals, and of the true position, is set out at flag B of the bundle; the press cuttings relating to those, and other, cases are set out in flag C. At flag D are the unpublished responses respectively of the Middlesex (press statement), and consultants at the Maudsley (letter to Mirror of 9th July), and at Addenbrookes (letter to Mirror of 15th May).

At flag E is correspondence which has passed between PS(H) and the Daily Mirror Group, beginning with a letter of 14th March in which Mr Whitney pressed for the true facts concerning the case at the Middlesex to be published, and culminating

in his letter which was published on 11th July and subsequent correspondence. At no time since 10th July has the Mirror retracted its allegation of 19th July (flag A) that Mr Whitney was "a liar".

Reference is made in the correspondence to Mr Whitney's interview on TV am on 9th April; a transcript is enclosed at flag F. Itis thought that the Mirror comment of 10th July may have been stimulated by Mr Whitney's reference to one of the allegations in an adjournment debate on 1st July (extract from Hansard at flag G). I should add that consideration is being given as to whether reference should be made to the Press Council concerning the Mirror's campaign.

In the light of these events, my Minister would welcome any view the Law Officers' may have on the handling of the matter so far as the public interest is concerned, and to know whether they would be prepared, as envisaged in "Questions of Procedure", to take charge of any proceedings.

Yours sincerely,
John Brockman

J St L BROCKMAN

19k?
10 JUL 1986

MIRROR COMMENT

You're a liar, Mr Whitney

ACCORDING to the man in charge, Mr. Ray Whitney, Parliamentary Under Secretary of State for Health, there are no shortages, no sufferings and no scandals in our hospitals. Millions of our readers know better. That is why we are writing an open letter to him:

Dear Mr. Whitney,

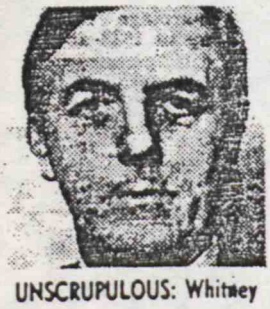
In the Commons last week, you said the Daily Mirror invented the story that Addenbrooke Hospital, Cambridge, didn't have enough cash for a machine to keep children alive.

YOU ARE A LIAR.

Using Parliamentary privilege, you defamed our reporter Jill Palmer.

She is accurate, honest and scrupulous in exposing the health service crisis. You are inaccurate, dishonest and unscrupulous in denying it.

HONEST: Reporter Palmer



UNSCRUPULOUS: Whitney

Your Commons lie wasn't your first. You pester The Editor with fiction about Jill Palmer.

FICTION: You said her March 3 report that Middlesex Hospital cuts led to a baby being sent home to die was untrue. *FACT:* It was true. We can prove it.

FICTION: You said her April 28 report that a baby nearly didn't make it into the world because of cuts was untrue. *FACT:* It was true. We can prove it.

FICTION: You said her July 3 report of Maudsley Hospital patients having to sleep in the corridor was untrue. *FACT:* It was true. We can prove it.

Shameful

If you want the truth first hand, talk
tants, doctors, nurses. Jill Palmer does

In the interests of the sick, we shall go on exposing you and your Government's shameful neglect of Britain's health service.

No amount of lies will stop us.

Yours sincerely,
The Daily Mirror.

PS: For the latest cash-cut scandal, read Jill Palmer's exposure of the £1 million life-saver a hospital can't afford to use.—SEE PAGE 15.

2

PRIME MINISTER

13 August 1986

HEALTH: THE POLITICANS DILEMMA

If you have time for some background reading on the NHS, may I recommend the attached pamphlet from the Office of Health Economics?

It begins by identifying some specific areas where the NHS is short of money. But it goes on to argue that no Government will be able to keep on raising taxes so as to meet the ever increasing demands of the NHS.

They identify three other approaches (which are not necessarily incompatible):

i. Greater efficiency by cutting out centralised bureaucratic allocation of resources and creating an 'internal market' within the NHS so that the money goes where the patients want it to go (cf education vouchers)

ii. Better allocation of resources. Maybe heroic high-tech medicine is not the best use of limited resources.

iii. Raising money direct from patients by charging within the NHS or more private provision. The private sector already does a lot in some areas such as care for the elderly.

The pamphlet concludes that the politicans dilemma is that there are powerful vested interests within the NHS (not to mention the Labour Party) who will oppose these three approaches to reform. Instead, they encourage the electorate in the delusion that the solution to all the problems of the NHS is more money from the taxpayer.

By contrast, you may also wish to glance at the attached piece which Ray Whitney has sent me, emphasising what the NHS is achieving.

Janet Ellison.

pp DAVID WILLETTS

YA/0468p

THE REAL NATIONAL HEALTH SERVICE

There is one sure way of reinforcing (or rediscovering) a sense of pride in our National Health Service - and that is to see it in operation. That is what I have had the privilege of doing since becoming a Health Minister last September. During these months I have visited literally dozens of hospitals and other NHS facilities up and down the country. It has been a rewarding experience and one which I wish could have been shared by at least some of the many highly vocal critics of our health service.

I hope they would have been as impressed as I was by the unprompted testimony of an old lady who has suffered from chronic eye problems and has many years experience of hospitals and her fierce enthusiasm for the high quality of treatment she is now receiving at the Moorfields Eye Hospital; with what has been achieved by the millions already spent on the Northern General Hospital, Sheffield - improved out of all recognition from the days when my father-in-law was a patient there - and there is much more improvement to come; with the internationally recognised success and the infectious high morale of patients and staff of the Royal Marsden Hospital in their fight against cancer; with what is being done at the new spinal injuries unit at Odstock, Salisbury; with the range of services provided by a new health centre at Rugby which demonstrated what can be done when general practitioners use effectively the increasing public resources made available to them; with the facilities springing up around the country for the elderly and the mentally

handicapped as our care in the community policies are developed; with the nuclear magnetic resonance scanners, the linear accelerators, the lithotripter and all the other marvels of modern science and engineering which are now being brought in increasing numbers into our health care services.

These are the realities which give life to the statistics. This is what is being achieved by the steadily rising levels of resources devoted to health care under this Government. Not only have we produced more doctors and more nurses - better paid - and a vastly increased hospital building programme (sharply recovered from the ravages of Labour's years); the crucial reality is that better and constantly improving treatment is being given to many thousands more patients.

Everywhere I went I have seen the concept of general management recommended in the Griffiths Report beginning to bear fruit. Bringing together the different professions within the health service and harnessing their specialist enthusiasms and interests to the common good to use the resources available to deliver the best possible result represents a daunting challenge. And in my experience and observation it is a challenge which, very largely, is being met. Whether they are long serving hospital administrators or new arrivals from other backgrounds, I have been impressed by the quality and enthusiasm of general managers now in the service. This year, for example, they are helping to generate £150 million of additional resources by cost improvements in services, resources which will become available for other uses in the Health Service. And all the signs are that these cost improvements will continue in the years ahead.

To emphasise this encouraging reality is not to deny that there are pressures on our health services, as there are on those of every other country. The many thousands of our 70 and 80 year olds now going into hospital for

operations who would not have been there only a few years ago are a welcome demonstration of the fact that we are living longer and with higher expectations of health care - but are also a phenomenon which undoubtedly is laying an increasingly heavy burden on resources. Advances in medical science, accelerating all the time, are having the same effect. I rejoice in the fact, for example, that in Britain we now conduct significantly more heart transplants per head than even in the United States - but such advances have to be paid for.

A major manifestation of the pressure on resources is the time patients have to wait for treatment. We have asked Health Authorities to take steps to combat long waiting times, and they have begun to do so. Nevertheless, whilst recognising the problems we should also remember that people needing emergency treatment are normally seen very quickly; 50 per cent of all admissions are immediate. Even for people who need non urgent treatment the average wait is seven weeks. What the new initiative is concerned about is the exceptional case - those who wait too long.

The question of resources regrettably - but, in the British context, inevitably - has become a battlefield, which threatens the morale of the service itself. It is only to be expected that Opposition politicians claim that they will spend more on the NHS than the party in government and spend it more wisely. The claims of the Liberal and Social Democratic Parties are so vague as to be meaningless and even vaguer than their so called "policies" in other areas - although I see that one of the Liberal spokesman is now tentatively offering a few modest figures. He had better be careful!

Much more instructive are the knots into which the Labour Party is tying itself on this question of funding the National Health Service. Sometimes the Labour Party health spokesman, Mr Meacher, proudly claims that he would spend 3 per cent above inflation on the health services - then he discovers that,

having been so successfgul in our fight against inflation, this Conservative Government is now doing better than that. He then makes other bids which sends his colleague Mr Hattersley into paroxysms of rage and terror as the Labour Party programmes can be totalled up to £24 billion.....£28 billion.....where will they stop?

The real challenges on health spending come not from the empty rhetoric of Opposition politicians but from the pressures for increased funding set up by many professionals within the health service. They regularly point to the fact that Britain only spends some 6.1 per cent of its GDP on health care (compared with only 5.3 per cent when Labour was in office) whereas the average for Western industrialised countries is 8.5 per cent. What they tend not to point out is that other countries depend on private insurance or direct payment from patients to a very much greater extent than we do in this country. So those who insist that the level and rate of improvement in our health services is insufficient and demand that billions of pounds more should be diverted to the health sector must face up to difficult choices. Are they really calling for a fundamental reorganisation of our NHS approach so that private contributions play a much greater role than they do at present? Or are they calling for reductions in spending on other programmes - and if so which ones do they suggest? Social Security? Education? Defence? Perhaps they are calling for very hefty increases in payments from public funds so that, for example, a nurse now earning a gross pay of £144 a week, instead of losing some £38 in income tax and national insurance contributions will end up losing, say, another £10 a week in higher taxes?

These are legitimate questions which deserve to be debated calmly and rationally. But in doing so I hope they can be discussed in an atmosphere which does not do unnecessary damage to the morale of a service which, as a nation, we may justly be proud.

FEA

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

David Norgrove Esq
10 Downing Street
LONDON
SW1

12 August 1986

Dear David

WAITING LISTS

Thank you for your letter of 21 July conveying the Prime Minister's agreement to our proceeding with our initiative on waiting lists.

As regards targets, my Secretary of State will want to consider very carefully what targets can be set - internally or even for individual health authorities - once he has received the reports he has called for from Regional Health Authorities. He agrees that we need to look at the situation district by district, and that districts with a serious problem should be encouraged to consider, as one option, the use of any spare capacity there might be in other districts or of the private sector.

We will keep you in touch with this initiative as it develops.

I am sending a copy of this letter to Joan MacNaughton (Lord President's Office), Colin Williams (Welsh Office), Jim Daniell (Northern Ireland Office), Robert Gordon (Scottish Office), Jill Rutter (Chief Secretary's Office, HM Treasury) and Andrew Lansley (Chancellor of the Duchy of Lancaster's Office).

Yours ever

A LAURANCE
Private Secretary

NAT. HEALTH: Expenditure + Efficiency

pt 6

Prime Minister

PRIME MINISTER

4 August 1986

5/8

PATIENTS' CHOICE

The attached lead article from 'Consumer Voice' shows how the Government's consultation document on GPs has won the support of consumer groups. This current of opinion is one which will flow more and more strongly. It is an area of health policy and presentation where we have the initiative.

David Willetts

DAVID WILLETTS

Consumer Voice

A journal of consumer news and views National Consumer Council Summer 1986

How to make a complaint
Pull-out action guide

Patients' choice

DO you know if your GP takes a special interest in orthopaedic or alcohol problems? If he or she has a diploma in child health or tropical medicine? Do you know how to get to the practice or whether there is a pharmacist nearby? What is your GP's system for dealing with urgent cases?

Unless you live in Edinburgh you're unlikely to know the answer to these questions other than by accident or experience. But in one part of the Scottish capital this kind of information is now available in a Directory of GP Services.

The Scottish Consumer Council (who carried out this Directory project with the Scottish Association of Local Health Councils and Edinburgh Local Health Council) believes that most people would find such details extremely useful. It provides information which is either not generally or readily available for existing patients of a practice, or for people new to an area who are shopping around for a doctor.

The Directory lists the address of each practice with phone numbers; names of the GPs and their qualifications; whether maternity and contraceptive services are offered; details of premises; bus services to the premises and the nearest pharmacy.

The SCC and Health Councils had discussions with various medical bodies in the run up to preparing the Directory. Many expressed reservations about this initiative on professional services being taken by *patients'* organisations. The Scottish branch of the British Medical Association went so far as to advise its members not to participate in the survey!

Such attitudes have begun to change since the recent publication of the government's paper *Primary Health Care*. Among the proposals specified in the paper is the suggestion that more comprehensive and accessible information about GP practices be produced and made available through surgeries, Family Practitioner Committees, consumer groups and local media. The Edinburgh patients' very favourable reactions to the Directory and their suggested list of over 40 additional items which they would have found useful, shows that such a guide is one practical response to this particular proposal.

The government also suggests ways of measuring the quality of services provided. One way of doing just this would be to ask and listen to the people who use these services. There are plenty of them.

Ministers plan to run a series of meetings to discuss these changes with the professional organisations and with consumer and voluntary bodies. But the important input should come from the individual consumer. You have until December this year to make your points.

BETI WYN THOMAS

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Consumer Voice 7

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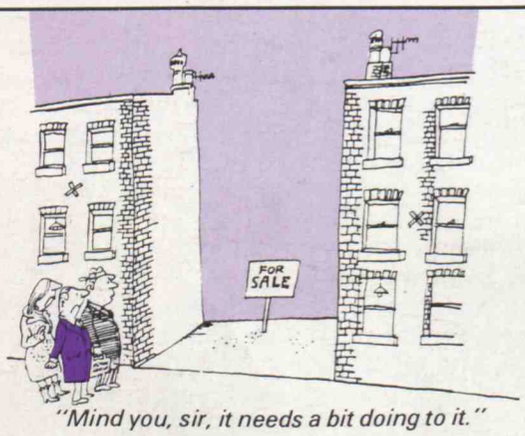

"Mind you, sir, it needs a bit doing to it."

Grumble

The sting in the tail

Queueing takes all the fun out of consuming. I spend an average of two hours a week standing in line waiting my turn for something or another. If I live out my three score years and ten I will have wasted over 7,000 hours queueing!

While queueing is preferable to a survival-of-the-fittest free-for-all, it is no excuse for a bad queue. When you don't know exactly whose turn is next; when you are uncertain that what you are waiting for is worth the time spent; when you can't relax in case someone sneaks in front of you; when you are bored or made to feel unimportant — that's a bad queue.

My bakers is a case in point. He sells wonderful bread, but the mêlee there on a Saturday morning has to be seen to be believed. I have seen stout-hearted shoppers break into tears of bitter frustration. There is a hubbub of muttered accusations and counter-accusations and sometimes open conflict. The reasons are obvious. There aren't enough staff, no effort is made to manage the queue and there isn't another decent baker for miles.

Napoleon described Britain as 'a nation of shopkeepers'. He couldn't have been more wrong. We are a nation of queue standers. According to friends who have been there, the only other country that wastes so much of its people's time queueing is the Soviet Union. Perhaps it demonstrates that the British and the Russians have the virtue of patience in abundance. But is it a virtue? Recently, I heard Professor Laurie Taylor say that patience was a minor form of despair. If that is the case then queueing must be a minor form of institutionalised despair.

In my experience the worst queues are at the post office, the bank, the supermarket and the doctor's surgery. At the post office or the bank, the terrible decision is which line to join to avoid getting stuck behind someone who takes ages to transact their business.

At the supermarket, how can you guarantee that you will not get behind someone who has inadvertently picked up a can of beans which has not been properly price-stamped? Or where the trainee cashier cannot accept a cheque until it has been counter-signed by the supervisor who has just gone missing?

Doctors' surgeries breed paranoia. Why is it that there are always people who arrive after you who get called before you? And when you have made an appointment, why is it that there always seem to be about 20 other people there for the same time?

If we *must* queue then we consumers have a right to demand that fair play and justice are done — and are *seen* to be done. The organisation and management of queues reflects the esteem with which we consumers are held by the providers of goods and services. Bad queues are an insult.

Some efforts have been made by the post office and banks to deal with the problem. Some now provide single queueing where we all stand in a carefully roped-off aisle, thus avoiding gambling away our time getting in a queue behind a time-consuming customer.

One way to get the supermarkets to buck up their ideas might be to have some way of getting a time check when you join a queue. If you have to wait for more than five minutes you will automatically get 5% knocked off your bill and if more than ten minutes there's a 10% reduction — and so on. This seems only fair and it might also persuade the supermarkets to ensure that enough checkouts are staffed, the goods are always priced properly, and supervisors readily at hand to countersign cheques.

Yet, we consumers have more power than we realise. A woman in front of me in a supermarket abandoned a full trolley when she had been kept waiting more than ten minutes and her very young child was getting rather fractious. When I explained to a passing member of staff he looked very crestfallen and said 'my God! It will take me ages to put all that lot back on the shelves'. Aha, I thought, this may be the answer!

Perhaps we get the queues we deserve. The shops and services which impose too much on our time count on our apathy. If enough of us complain quietly, but firmly, that our time is valuable and that the conditions we experience in queueing are unacceptable then may be the message will get through. If there is no response then where we can, we *must* take our custom elsewhere. Where we can't, we must make our complaints known to a higher authority. Queuers of the world rebel you have nothing to lose but your patience!

JOHN WARD

Coming Soon: *a full scale attack on queueing from chairman* ***Michael Montague*** *in this year's NCC annual report*

Cartoon: Michael Heath. Front Cover Illustration: John Minnion

Note

I passed the PMs comment on to Mr Whitney's office. The Lord President will be commenting similarly. Review situation after Law Officers have advised. BF on 15/8 /BF

PRIME MINISTER

RAY WHITNEY AND THE DAILY MIRROR

You may recall that Ray Whitney got a letter published in the Daily Mirror as a counter balance to its campaign of scare stories on the NHS. The Mirror responded by publishing an editorial headed "You're a liar, Mr. Whitney". This is at Flag A.

Ray Whitney has now asked the Law Officers (as he is bound to do by Questions of Procedure for Ministers) about the possibility of an action for defamation.

A note by Bernard is at Flag B. Ministers are not required under Questions of Procedure to consult you before proceeding and we should obviously have to tread very carefully when a Minister feels, as in this case, that the press has over-stepped the mark of legitimate comment. If you wished, however, we could indicate informally to Norman Fowler's office that you hope that the Secretary of State will keep a close eye on the situation and ensure that an action against the Daily Mirror was taken only after the most careful consideration by Mr. Whitney and his advisers. The point is surely that the kind of scurrilous campaign being waged by the Daily Mirror has to be fought by political means and not by resorting to the courts. As Bernard has said politicians would seldom be out of the courts if they issued writs every time they are accused of not telling the truth.

Would you like us to give an informal indication to Norman Fowler's office as I have suggested?

TIM FLESHER

4 August 1986

VSCAAF

To sue would only land Ray in months months of worry and worries about costs as well. We are all angry when this happens - but I am sure it is best not to resort to the courts. MT

10 JUL 1986

MIRROR COMMENT

You're a liar, Mr Whitney

ACCORDING to the man in charge, Mr. Ray Whitney, Parliamentary Under Secretary of State for Health, there are no shortages, no sufferings and no scandals in our hospitals. Millions of our readers know better. That is why we are writing an open letter to him:

Dear Mr. Whitney,

In the Commons last week, you said the Daily Mirror invented the story that Addenbrooke Hospital, Cambridge, didn't have enough cash for a machine to keep children alive.

YOU ARE A LIAR.

Using Parliamentary privilege, you defamed our reporter Jill Palmer.

She is accurate, honest and scrupulous in exposing the health service crisis. You are inaccurate, dishonest and unscrupulous in denying it.

HONEST: Reporter Palmer

UNSCRUPULOUS: Whitney

Your Commons lie wasn't your first. You pester The Editor with fiction about Jill Palmer.

FICTION: You said her March 3 report that Middlesex Hospital cuts led to a baby being sent home to die was untrue. *FACT:* It was true. We can prove it.

FICTION: You said her April 28 report that a baby nearly didn't make it into the world because of cuts was untrue. *FACT:* It was true. We can prove it.

FICTION: You said her July 3 report of Maudsley Hospital patients having to sleep in the corridor was untrue. *FACT:* It was true. We can prove it.

Shameful

If you want the truth first hand, talk tants, doctors, nurses. Jill Palmer does

In the interests of the sick, we shall go on exposing you and your Government's shameful neglect of Britain's health service.

No amount of lies will stop us.

Yours sincerely,
The Daily Mirror.

PS: For the latest cabinet scandal, read Jill Palmer's exposure of the £1 million life-saver a hospital can't afford to use—SEE PAGE 15

MR FLESHER

MR WHITNEY - DAILY MIRROR

You sought my advice on Mr Whitney's proposal to:

i. sue the Mirror Group; and possibly to

ii. refer the Mirror to the Press Council.

My first point is that I think Mr Whitney should proceed with caution and in consultation with his Secretary of State. It is not clear to me that the DHSS has pursued the Mirror's campaign with consistent vigour, and you will recall that we had to urge them to set the facts on Parliamentary record - an action calculated, I believe, to put them in a strong position in relation to all critics and campaigners.

Second, Questions of Procedure for Ministers (Para 24) requires Ministers to consult the Law Officers before consulting their own solicitors "in order to allow the law officers to express a view on the handling of the case so far as the public interest is concerned or, if necessary, to take charge of the proceedings from the outset".

Para 122 is clear that Ministers who wish to make a complaint against a journalist, or a particular section of the media, to the Press Council "must have the authority of the Prime Minister". The nature of the complaint and the case for referring it should be set out in a letter to the Chief Press Secretary, copied to the Secretary of the Cabinet.

However, this does not affect my advice. I believe Ministers should think very carefully about legal proceedings, except in the most outrageous circumstances.

A great many writs would be issued if Ministers sued every time they were called a liar or their veracity was impugned.

I am less hostile to a reference to the Press Council for I think Mr Whitney has a good case against the Mirror's objectivity and balance on the evidence available. It is, however, the case that we cannot rely on a favourable Press Council finding. Much would, of course, depend on the precise nature of the complaint.

BERNARD INGHAM
4 August 1986

CONFIDENTIAL

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Parliamentary Under Secretary of State for Health

Mark Addison Esq
10 Downing Street

1 AUG 82

Dear Mark

THE DAILY MIRROR

You will wish to be aware that my Minister is contemplating the taking of an action against Mirror Group Newspapers for defamation. I am therefore copying the attached papers to you for information. A copy of this letter, and enclosures, also goes to Joan MacNaughton in the Lord President's Office.

Yours ever

Mark Fisher

MARK FISHER
Private Secretary

CONFIDENTIAL

DEPARTMENT OF HEALTH AND SOCIAL SECURITY
SOLICITOR'S OFFICE, Room B905,
Alexander Fleming House, Elephant and Castle
LONDON S.E.1
Telex: 22106
Telephone: 01-407 5522, *ext.* 6706

Your reference:
Our reference:

M Saunders Esq
Legal Secretary
Law Officers' Department
Royal Courts of Justice
Strand
LONDON WC2A 2LL

31st July 1986

Dear Saunders,

The Parliamentary Under Secretary (Health) has requested that I write, pursuant to paragraph 24 of "Questions of Procedure for Ministers", to seek the view of the Law Officers in connection with an action for defamation which he is contemplating taking against the Daily Mirror Group of Newspapers in respect of an editorial which appeared on 10th July (flag A in the bundle) entitled "You're a liar Mr Whitney". In accordance with the advice in paragraph 24 he has not yet sought advice from his own solicitors.

Over the past few months, the Daily Mirror has run a number of NHS "scandal" stories alleging in each case that these are further examples of the effect of NHS cuts. In each case, investigation has shown the stories to be completely untrue or very seriously distorted.

A summary of the main allegations, about incidents at the Middlesex, Maudsley, Addenbrookes and St George's hospitals, and of the true position, is set out at flag B of the bundle; the press cuttings relating to those, and other, cases are set out in flag C. At flag D are the unpublished responses respectively of the Middlesex (press statement), and consultants at the Maudsley (letter to Mirror of 9th July), and at Addenbrookes (letter to Mirror of 15th May).

At flag E is correspondence which has passed between PS(H) and the Daily Mirror Group, beginning with a letter of 14th March in which Mr Whitney pressed for the true facts concerning the case at the Middlesex to be published, and culminating

in his letter which was published on 11th July and subsequent correspondence. At no time since 10th July has the Mirror retracted its allegation of 19th July (flag A) that Mr Whitney was "a liar".

Reference is made in the correspondence to Mr Whitney's interview on TV am on 9th April; a transcript is enclosed at flag F. Itis thought that the Mirror comment of 10th July may have been stimulated by Mr Whitney's reference to one of the allegations in an adjournment debate on 1st July (extract from Hansard at flag G). I should add that consideration is being given as to whether reference should be made to the Press Council concerning the Mirror's campaign.

In the light of these events, my Minister would welcome any view the Law Officers' may have on the handling of the matter so far as the public interest is concerned, and to know whether they would be prepared, as envisaged in "Questions of Procedure", to take charge of any proceedings.

Yours sincerely,

John Brockman

J St L BROCKMAN

SUBJECT

cc master

I

SECRET

File

VC3AMB

5. bc David Willetts

10 DOWNING STREET

From the Principal Private Secretary

30 July 1986

Dear Tony,

THE NATIONAL HEALTH SERVICE MANAGEMENT BOARD

The Prime Minister met your Secretary of State yesterday afternoon to discuss his minute of 22 July about the National Health Service Management Board.

The Secretary of State said that he saw advantage in developing the organisation of the National Health Service in the direction of either a single corporation structure or separate corporations comprising the various regional health authorities. This would require highly sensitive primary legislation. Such a development of the NHS would be a long term process. The Government could not, however, dodge the underlying policy issues since Mr. Meacher looked likely to pledge the Labour Party to locally elected health authorities. The immediate decision for Ministers was the role of the National Health Service Management Board (NHSMB). This, he suggested, should continue with its present role with the Chairman of the Board as a progress chaser and advisor to the Secretary of State. The Chairman was not, under the existing structure, an executive.

The Prime Minister said that people's initial reaction would be to recoil from establishing the health service on a public corporation basis since perceptions of the nature and purpose of the service were different. Any change therefore would need the most careful presentation. On the Secretary of State's analysis off NHS organisation, she accepted that it would never be right if its managing board was effectively no more than an advisory committee. But she wondered whether he was, in effect, saying that the recommendations of the Griffiths report were unworkable. Surely it would be possible for the Secretary of State to delegate, informally if not formally, some of his powers to the Chairman of the Management Board. This might invest the Chairman with real executive authority.

The Secretary of State said that the Griffiths Report's recommendations made more sense in the lower reaches of the NHS, particularly the concept of general managers, than in its higher reaches. The basic point was that the regional hospital authorities would not accept that they were subordinate to the Management Board. The Management Board could exhort and allocate the resources. But the Board

SECRET

GA

could not manage the running of the service. Nor did it employ the people running the NHS.

The Prime Minister then asked whether it was practicable to erect within the existing legislative framework a structure which had the advantages of a corporate structure. The Secretary of State saw real obstacles here, especially in the shape of the 14 regional chairmen who would not accept a line management responsibility to the Management Board. He accepted that the establishment of a corporate structure raised political issues, both in relation to the medical profession and Parliament. He agreed with the Prime Minister that it was absurd that Ministers could be cross-questioned on minor issues of health service administration. The Prime Minister asked whether it was worthwhele reconsidering the use of Sir Roy Griffith in some capacity. The Secretary of State did not think so.

At an earlier point in the discussion, the Prime Minister recalled that she had heard complaints recently about the lack of standardisation in NHS equipment, with the different regions operating different standards. Your Secretary of State reported that Mr. Critchley, a member of the Management Board, was now making progress in persuading the regional authorities to standardise their purchases. It was also important to convince the authorities of the connection between their procurement policies and industrial policies.

The Prime Minister said that she would wish to reflect on the Secretary of State's approach. She agreed that he should discuss the scheme further with her after the holidays. Sir Kenneth Stowe should join that discussion.

During the meeting there was little discussion of possible candidates for the next Chairman of the NHSMB, except that Sir Ronald Halstead was mentioned.

Yours ever,
Nigel Wicks

N.L. WICKS

Tony Laurance, Esq.,
Department of Health and Social Security.

CONSERVATIVE PARTY NEWS SERVICE

Press & Public Relations Department.

Phone: 01-222 0151/8
01-222 9000

Conservative Central Office.
32 Smith Square,
London SW1P 3HH

2

Pre Minutes:
Too long, but quite effective

THE RT HON NORMAN FOWLER MP

Release Time: 0001 hrs Wednesday
454/86 30 July 1986

29/7

MS

The cost of Mr Meacher

Norman Fowler MP, Secretary of State for Social Services, has today written an open letter to Michael Meacher, Labour's Social Services Spokesman setting out details of the range of promises he has made. Mr Fowler said that those promises were currently the subject of clashes between Mr Meacher and Mr Hattersley, and said that Labour should avoid raising hopes they had no prospect of ever fulfilling. He challenged Mr Meacher to make clear to the groups whose hopes he had raised that there was now no question of Labour carrying out the promises he had given.

Printed and published by Conservative Central Office, 32 Smith Square, London SW1P 3HH

The following is the text of the letter Mr Fowler sent today.

There was considerable public interest in the statements you made on the floor of the House on 16th July about the actions that would be taken on Social Security by a Labour Government. On 11th June, also in the House of Commons, you pledged that these would be made 'in the first year, in our first Budget'.

The three main points, which were repeated among many other spending pledges in Labour's new document 'Health for All' were:

First, to raise pensions by £5 a week for the single person and by £8 a week for the married couple;

Second, to increase Child Benefit by £3 a week;

Third, to 'extend the long-term rate of Supplementary Benefit to all of the long-term unemployed'.

Twice in the House of Commons you have indicated that the cost of these measures would be £3.5 or £3.6 billion and that they could be afforded by raising taxes on 'the top 5 per cent'. That was misleading on two counts.

2/...

First, the tax implications of your proposals could not be limited to the million families you have marked down for attack.

Second, you underestimate the cost of your proposals. Unless you were to refuse to increase other benefits - for example, widows' benefit and invalidity benefit - which are presently set in line with retirement pensions, and declined also to raise, for example, housing benefit needs allowances, the total cost of your first year proposals alone would be over £5.6 billion. That is equivalent to a rise of 5p in the £ jump in income tax across the board to pay for the social security changes alone.

There is, however, a wider matter which in view of the highly publicised conflicts between you and the Shadow Chancellor should now be clarified for the public record. That is the question of what would happen after Labour's first budget. That is what the current row in the Labour Party is all about. This is what now needs to be cleared up. The public are entitled to know what commitments you have to increase spending on Health and Social Security subsequent to your £5½ billion package.

In April 1985 you issued to the Press some details about your plans. These were reported to be 'pre-emptive' action in advance of our own social security review. You said these proposals were 'a considered response' by 'specialist work groups' you had convened. You said they formed 'part of a work entitled "Robbing the Poor" shortly to be published by Sokesman books'. A year and a quarter later no such book has appeared. This is despite the fact that again at your Party Conference last September you promised that you would 'publish our alternative programme of reform for consultation with the movement and with the public ... early in the New Year'. The New Year has passed. The next Labour Conference is drawing near. But 'the movement' and the public are still awaiting the details. You are clearly reneging on the commitments to publish that you have made.

3/...

Fortunately there is abundant evidence of your intentions on the record. Since you have been Opposition spokesman on Social Services you have made more spending promises than any previous Party spokesman. You have given these promises to disabled people, to pensioners, to poor people, to those out of work, and to families with young children. You have held out to them prospects which no Government - least of all a Labour Government - could ever hope to fulfil. It has been entirely irresponsible because you have raised expectations which you know you cannot meet. I am sure that you will take this opportunity to clarify the stages by which your further programme will be implemented and to give details of its costs. Only in that way can you put right any misunderstandings which you have caused about the Labour Party's intentions.

In order to assist the Press and public in assessing the details of your package I am attaching to this letter a list of some of your main public spending declarations. I cannot claim that even this is comprehensive. In every case I have added references to the source material from which they are derived. As you will see, all of them are public statements that you have made in your period as official Party spokesman - a period in which, if you personally and the Opposition as a whole are to retain any credibility, it must be assumed that you were speaking on behalf of the Labour Party.

All those in the groups affected by these statements are entitled to know whether you stand by them and at what stage they would be introduced by any future Labour Government. I invite you to make clear whether you now repudiate any of these promises. If you do not specifically repudiate them I will assume that you intend these to form part of the programme of a future Labour Government.

The potential scope of these statements is so far-reaching in terms of tax, national insurance and public spending that it is important that they be brought to public attention. The Shadow Chancellor is claiming that they could be financed by limited tax changes affecting the very rich. In this respect at least you have

4/...

been more honest. As the attached material shows, you have set out a range of ideas for financing your proposals by abolishing tax reliefs, for raising income tax, and for raising national insurance contributions whose merits you will doubtless be pressing on your colleagues. In view of the importance of this question I am releasing this letter and the attachments to the Press.

NORMAN FOWLER

M. Meacher, Esq., MP,
House of Commons,
London. SW1A 0AA

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1. Pledges to Pensioners.

a) Earnings Link.

'For the pensioners we would restore the link with earnings'.[1]

b) Immediate Uprating.

'Labour is committed already to giving pensioners an increase of £5 per week for a single pensioner, and £8 per week for a couple right across the board (at 1984-5 levels) without cutting other benefits'.[2]

c & d) Christmas Bonus: Off-peak travel.

'Pensioners will get a big cash rise immediately Labour gets back in power. An extra £5 a week will go to single pensioners and £8 for a couple. This "cast iron promise" was given yesterday by Shadow Social Services Secretary Michael Meacher at a Fulham by-election meeting in London ... Labour's package for pensioners will also include:

* doubling the Christmas bonus;

* winter premiums of £5 a week for needy pensioners and widows;

* nationwide off-peak half fare travel for pensioners'.[3]

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1 Hansard, 22nd April 1985, Col. 630
2 Press Release, 16th October 1985
3 Daily Mirror, 2nd April 1986

NB Financial Times of the same date reported a further pledge to raise the level of the Death Grant to an increased level of at least £200.

e) Winter Premium.

'Significantly increased help must be given to the most vulnerable in the cold winter months. If an extra £5 per week were paid automatically to all pensioners on supplementary benefit, it would cost £8.25 million a week. If we included also, as we believe we should, another 1 million pensioners and widows with resources slightly above the supplementary benefit qualificaton, but who are still in real need and who are unable to warm themselves adequately, that would cost another £5 million a week. If that aid were given every week from mid-December to the beginning of March, it would cost about £130 million'.[1]

f) SERPS.

'I want to make it clear that in two years' time when we are in a position to do something about this, we shall re-introduce SERPS, either in the same form or in some improved form'.[2]

2. Pledges for Families.

a) Child Benefit.

'For families, we would retain and improve child benefit as the single most important protection against family poverty and against the poverty trap'.[3]

[Child Benefit] 'Would be set immediately at a rate of £14.50 per week per child, plus an addition of £7.65 per week per child living with a lone parent. It would then be improved in real terms at subsequent upratings'.[4]

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1 Hansard, 6th March 1986, Col. 476
2 Hansard, 11th November 1985, Col. 329
3 Hansard, 22nd April 1985, Col. 631
4 'Do We Need a New System?', 15th April 1985, page 17

[Child Benefit] 'It is now £7 per week for each child. You could double it to £14 a child, if you abolished the married man's tax allowance. The amount of money we spend on that is about the same as the current cost of child benefit. I think that would be a lot fairer'.[1]

b) Child Benefit: Immediate Action. 'It shall be done in the first Labour budget. We shall increase child benefit by £3 a week'.[2]

c) Child Benefit: Indexation. 'We object to it (cc. Government policy) for several reasons ... Thirdly, there is no commitment to index child benefit in line with prices, let alone earnings'.[3]

d) One-Parent Families.

'For many years, the need for a proper benefit for these families has been obvious. A new one-parent family benefit would take this whole group out of supplementary benefit'.[4]

e) Educational Maintenance Allowance.

'An educational maintenance allowance (of £25 per week) is paid to all 16, 17 and 18 year olds in full-time non-advanced education'.[5]

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1 Tribune, February 1986
2 Hansard, 11th June 1986, Col. 340
3 Hansard, 11th June 1986, Col. 341
4 Supplementary Benefits, 15th April 1985, page 20
5 New Income Protection Plan, 15th April 1986, para 6

f) Benefit for Unpaid Work.

'A universal benefit, which gave recognition to the unpaid work done by most members of society - voluntary community work, as well as work within the family - would allow a better balance between the rewards of paid employment, and rewards for tasks which have hitherto been "voluntary"'.[1]

3. New Income Protection Plan.

'We would seek to bring to an end the present degrading supplementary benefit system'.[2]

a & c) Supplementary Benefit.

'After stoppages the average-paid worker is probably getting about £120 per week. Supplementary Benefit for a couple if they are unemployed, on a short-term rate, is about £50. But the rent is paid if they're getting housing benefit - say about £20 a week. That takes them to about half the level of the net wage of an average-paid worker. I believe that will lead to many people on benefit having more than those in low-paid work ... So a necessary corollary to increasing supplementary benefit to a decent level is the establishment of a national minimum wage. I accept the view taken by NUPE - the main advocate of this tactic - that it should be two-thirds of the national average, around £100 per week. The lowest wage should be above the level of benefit ...

(cont.)

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1 Do We Need a New System, 15th April 1985, page 5
2 Hansard, 22nd April 1985, Col. 631

b) 'Next, all benefits - unemployment, retirement, sickness, widowhood - have to be paid at a level at least as high as that family would get from supplementary benefit. You should not, as we have done since 1949, pay benefits below the poverty line, and then leave people with an option to claim a means-tested benefit to top up to a higher level.

If you provided the benefits at or above the current supplementary benefit level, you could virtually scrap the supplementary benefit system and that would be a huge advance'.

'If supplementary benefit scale rates were increased - as we have argued that they should be - then other means-tested benefits would also need to be increased, to give overall fairness between people in work and those not working'.[2]

d) Income Maintenance.

'[Income maintenance] is the base of income support for the retired, the sick and the unemployed. It provides an adequate income level, paid as of right (as National Insurance benefits are now) to adults as individuals unless an adult is able-bodied, of working age but not available for work, when an adult's dependency addition would be made to the claimant's benefit. Disaggregation would be phased-in for those over retirement age. There would be a lower level benefit for 16 and 17 year olds in recognition of reduced financial commitments'.[3]

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1 Tribune Interview, February 1986
2 Supplementary Benefits, 15th April 1985, page 21
3 Do We Need a New System, 15th April 1985, page 18

'The income maintenance benefit is set at a uniform rate for all claimants with additions for pensioners (heating addition plus the state earnings related pension addition) and for the disabled (a disablement costs addition)'.[1]

e) Pensioners' Addition.

'This is added to the Income Maintenance Benefit in recognition of increased heating costs. It would be set at £2.10 per week for the over 65s and £5.20 for those over 85 years'.[2]

f) Strikers Deductions.

'I give a pledge to, and I give it very solemnly, that we will end that infamous system of a £16 a week deduction in benefit that was used to deprive the miners of their basic rights, whilst at the same time stopping unjustified tax-free perks and expense account lunches'.[3]

4. Temporary Emergency Payments Scheme.

'A temporary emergency payments scheme would have to give a fast and flexible response to individual circumstances if it were to be effective. It would therefore need to be a local service, staffed by people trained for this purpose. So it would be quite different from the main scheme for providing basic incomes, and quite different from our present supplementa benefit scheme ... (cont.)

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1 New Income Protection Plan, 15th April 185, para 4
2 Do We Need a New System?, 15th April 1985, page 18
3 Party Conference Speech, 1985

'The scheme would be aimed at tiding people over crises, emergencies and unforeseeable sudden problems ... It would merely aim to give immediate cash help to those in urgent need, to help them get back to normal as quickly as possible ...

Unlike the basic income scheme, the temporary emergency scheme could not pay benefits according to a fixed rate. Each case would require an assessment of need, which would depend on the exact nature of the crisis. Staff would therefore inevitab exercise discretion and make individual judgements over needs.. Perhaps the best way to avoid the delays and value judgements associated with means-testing would be for payments to be made on a loan basis, but for recovery of loans not to be pursued if, on later investigation, this proved impractical...

Staff should be trained to regard a larger payment which restores normality quickly as preferable to a smaller one which results in claimants requiring temporary assistance for more than a maximum of a fortnight'.[1]

5. Disabled People.

a) 'For the disabled ... a new component is needed - a disability costs allowance - to compensate for the extra costs of living arising from disability. But it will inevitably be expensive and its implementation, as for other objectives, must depend on our economic success'.[2]

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1 Supplementary Benefits, 15th April 1985, pages 22-23
2 Hansard, 22nd April 1985, Col. 631

'Disablement Costs Allowance - this benefit would be paid to the disabled, whether in or out of work, to help towards the costs incurred as a direct result of disability. Assessed on a degree of disability basis, it would be set at £58.40 per week for those with 100 per cent disability. If Mobility costs were subsumed into the main Costs Allowance it would be increased accordingly but Attendance Allowance would be paid in addition'.[1]

'What the disability groups want is a comprehensive disability income, which on various calculations would cost around £2,000 million. Well, that's another colossal expenditure'.[2]

6. Pledges to Unemployed People.

'Until the problem of employment is systematically tackled, a minimum demand is that unemployent benefit should be extended beyond the present limit of one year. For those who do have to claim supplementary benefit, the scale rates for people still claiming after a year's unemployment should be at the higher (long-term) rates.[3]

Immediate Action.

'It shall be done in the first Labour Budget ... We shall extend the long-term rate of supplementary benefit to all of the long-term unemployed'.[4]

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1 Do We Need a New System?, 15th April 1985, page 18
2 Tribune Interview, February 1986
3 Supplementary Benefits, 15th April 1985, page 20
4 Hansard, 11th June 1986, Col. 340

7. Death Grant.

Raised to £200 (Financial Times, 2nd April 1986).

8. Housing Support: Ending Mortgage Tax Relief.

'Since its inception housing benefit has been a vicious attack on the poorest section of our society and an administrative nightmare for local authorities'.[1]

'The artificial division in housing and according to type of tenure involving tax relief for owner-occupiers as opposed housing benefit for those who rent, should be ended and replaced by a single system governed by need and family size, not by type of tenure. In the interim, prior to the introduction of a universal housing allowance of such a kind, a single unified housing benefit should replace the current over-complex structure of certificated and standard housing benefit (including the housing benefit supplement where taken up by those entitled is low). The simplest option for this would be a "single taper" scheme'.[2]

'A Housing Allowance combines present Housing Benefit and Mortgage Tax Relief into a cash benefit'.[3]

'A cash benefit would be payable towards housing costs whether rented or owner-occupied, whether the claimant is in or out of work. The level of benefit would relate directly to income but only those on 1½ times average earnings would receive less assistance from Housing Allowance than they do now from Mortgage Interest Tax Allowance'.[4]

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1 Cold Comfort, page 46
2 Cold Comfort, page 50
3 New Income Protection Plan, para 7
4 Do We Need a New System?,

9. Payment and Uprating of Benefits.

'All benefits would be cash benefits paid weekly. They would be uprated annually in line with increases in prices or earnings, whichever is the higher'.[1]

10. How to Pay for It: Tax and National Insurance Changes.

a) Reforming Income Tax.

'Extraordinary inequalities ... riddle the income tax system. The latter is virtually a single-rate structure, since 19 out of 20 taxpayers pay at the 30 per cent rate only, and it has almost ceased to be a progressive tax at all. What is therefore needed is a multi-tier tax structure with rates of 15 per cent, 30 per cent, 45 per cent, 60 per cent and, possibly, 75 per cent'.[2]

Taxation.

'There is a limit to how far you can push the vast majority of ordinary workers ... it partly links to who you take the money from... The way out of this dilemma, I believe, is t have a highly-graduated tax structure. At the moment, 19 out of 20 households pay at the 30 per cent rate. We should change that to a structure where, at the bottom, we raise the tax threshold, and start off at, for example, 15 per cent, then 30 per cent, then 45 per cent, then 60 per cent, and then more controversially, 75 per cent. I'm assuming that this would all be worked out to be revenue neutral - producing the same income tax as the present structure in total'.[3]

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1 Do We Need a New System?, 15th April 1985, page 16
2 Guardian, 13th July 1984
3 Tribune Interview, February 1986

Reforming National Insurance.

b,c) National Insurance.

'National Insurance in Britain is a wonderful way that the Tories have found for making the working class pay for their own benefits. There is a very low threshold, now about £35.50 and a ceiling at about 1½ times average earnings. Everyone in that area ... has to pay quite a high rate - 9 per cent flat rate poll tax'.[1]

New "Progressive" Tax Structure.

The Plan would be financed by either:

a) A National Insurance contribution system which abolished the present higher income ceiling and replaced it with higher contributions of, say, 11 per cent and 13 per cent as income rises PLUS a progressive Income Tax rate levied at, say 15 per cent, 30 per cent, 45 per cent and 60 per cent, according to personal income level; or

b) An amalgamated National Insurance and Income Tax levied on a progressive basis on all personal income at rates of, say, 15 per cent, 30 per cent, 45 per cent and 60 per cent'.[2]

c) Higher National Insurance.

The figure of 27 per cent, even if true, is the peak ... It is not such a shockingly high figure, or indeed intolerable

d) Higher Treasury Supplement.

We would restore the Treasury contribution to a significantly higher figure.[3]

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1 Tribune Interview, February 1986
2 Do We Need a New System?, 15th April 1985, page 17
3 Social Security Bill, Standing Committee, 25th February 1986

e) Ending Mortgage Tax Relief.

The scheme ... proposes the amalgamation of the present systems of housing benefit and mortgage tax relief ... the lowest point at which mortgage relief would begin to be reduced would be 1½ times average earnings.[1]

f) Abolition of MMTA - The Married Man's Tax Allowance.

'The additional cost of provision for children can be set off directly against savings made from abolition of the married man's tax allowance and additional personal allowance'.[2]

Taxation of Child Benefit.

g) Taxing Child Benefit.

'We do need a better integration between income tax and the social security system, but based on an income tax system which is graded in its structure so that the lowest paid are either out of tax altogether or they pay a low rate a low rate of 15 per cent and above that 30, 45 and 60 per cent.

If you had that you could pay a universal benefit like child benefit to everyone but then concentrated on those in greatest need without a means test by taxing it, and that would be a far better way of ensuring that we retain universality but at the same time concentrated on those who really need it'.[3]

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1 Letter to The Times, 20th April 1985
2 New Income Protection Plan, 15th April 1985, page 2
3 Newsnight Interview, 18th June 1985

h) Tax on Sugar.

'The Government are already taxing cigarettes and alcohol heavily and surely they should now be taxing sugar'.[1]

i) Reducing Perks.

'If the true cost of the private fiscal welfare state - the whole range of personal tax reliefs and allowances - and the private occupational perks welfare state were assessed with a view to distributing the benefits on a more equitable basis, the costs of this scheme could be covered'.[2]

'Against these costs, we must put savings to Family Income Supplement, the Married Man's Tax Allowance and Additional Personal Tax allowance (no longer needed because of the new child arrangements). There would be massive savings to the host of passport benefits necessitated by inadequate benefit scale rates'.[3]

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1 Hansard, 25th March 1985, Col. 154
2 Do We Need a New System?, 15th April 1985, page 19
3 Do We Need a New System?, 15th April 1985, page 19

11. Health Spending.

'The fundamental underlying problems of the NHS ... cannot be solved without increased funding on a par with other countries'.[1]

a) Health.

'We would increase resources in the health service by 3 per cent a year over and above inflation ... That is my bottom line. Given the way the Tories have hammered the service, I must persuade my colleagues that 3 per cent is the minimum and it needs to be nearer 5 per cent per year increase in resources ... An increase of 3 per cent would give about £500 million extra in real terms, about £3,000 million over a five year term'.[2]

b) Prescription Charges.

'We will reduce prescription charges immediately and phase them out altogether'.[3]

Dental Charges.

'Labour will reduce the present high dental charges'.[4]

c) Hospital Building.

'Hospital building ... would not be my top priority, but certainly we need some increases'.[5]

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1 Guardian, 20th July 1984
2 Tribune Interview, February 1986
3 Health for All, July 1986, page 5
4 Health for All, July 1986, page 13
5 Tribune Interview, February 1986

More Building.

'I think there are two kinds of health institution which are greatly lacking in the health service. There are a few private hospices for the mentally ill and I would be in favour of building some of those. Nursing homes for the elderly are almost all in the private sector ... All this is in addition to the obvious requirements for better primary care, more health centres, ancillary services and ancillary workers, social work professionals, more hospitals'.[1]

d) Drugs Bill.

'We would also cut the drugs bill by an extra £100 to £200 million a year by a much bigger cut in the target rate of return and promotional expenditure'.[2]

e) Ending Disparities in Provision.

Resource Allocation.

'I think we need more resources, discriminatorily placed into areas of greatest need to bring down those classes and regional differentials'.[3]

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1 Tribune Interview, February 1986
2 Press Release, December 1983
3 Tribune Interview, February 1986

f) NHS Administration.

'Labour will reverse the top-heavy centralisation of power in the National Health Service, and we will reverse the crude political patronage and blatant partisan loading of health authorities. We will strengthen the CHCs and we will inject a real element of democratic accountability into the administrative structure so that local services are generally responsive to local demand and consumer complaints'.[1]

g) Community Care.

'All Parties are in favour of community care ... If a Labour Government did it for real, we would want to have an expansion in the number of workers providing care, but we would also want to be assisting and supporting ordinary people looking after elderly or dependent relatives, and giving them some financial recognition for doing so. It has been estimated that the cost of care provided by families to dependent relatives is of the order of £5,500 million each year. We virtually provide nothing for them. So a third priority would be to provide some financial support for carers. That is a big and costly priority'.[2]

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1 Hansard, 5th July 1984, Col. 485-6
2 Tribune Interview, February 1986

h) Alcohol Abuse.

'The next Labour Government will act positively and quickly by instructing all the appropriate statutory authorities to commit themselves to securing provision of the range of services required, including basic information and education, counselling, the availability of de-toxification, rehabilitation hostels and suitable accommodation. They must also ensure this approach is successful by regular reviews of the existing services in every region with the ultimate aim being the development of a fully-integrated and comprehensive range of services, spanning both the statutory and voluntary sectors involved'.[1]

i) Drug Abuse.

'A national policy to combat drug abuse might include the following proposals: the list is by no means comprehensive ...

Increased finance to ensure the above recommendations would be implemented. The Standing Conference on Drug Abuse estimates a minimum requirement of £20 million (on present day costs)'.[2]

j) End Low Pay.

'A necessary corollary to increasing supplementary benefit to a decent level is the establishment of a national minimum wage. I accept the view taken by NUPE - the main advocate of this tactic - that it should be two-thirds of the national average, around £100 per week'.[3]

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1 Cold Comfort, page 18
2 Cold Comfort, page 46
3 Tribune Interview, February 1986

Private Health.

k) Private Sector in Health.

'I believe the private sector in the health service is causing significant damage to it ... First of all, yes, we have to reduce pay beds in the NHS. I would reintroduce the health services board that was there before'.

l)

m) 'I would reduce the tax reliefs that have been given to private health insurance companies, to employers'.

n) 'I would change the contract for consultants who now have an incentive to work not 9/11ths but 10/11ths and still do private sector work. I would like to return to a system of 9/11ths minimum, but I would also like to persuade more consultants to work full-time in the NHS - and this includes financial incentives to full-time consultants'.

o) 'We all also need a board which would regulate building and expansion outside the NHS'.

'Another weapon in our armoury is to say that hospitals in the private sector should have the necessary minimum facilities, say in radiography and so on, the kind of back-up services which a lot of them don't have because they are parasitic on the NHS. Either they would have to obtain that or they would have to close. The objective would be a range of pressures which would minimise and squeeze the private sector ... my objective would be to squeeze the private sector. Then after six months, or a year, see how far we have got, and squeeze again, maybe in a different direction, but keep on with the objective'.[1]

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1 Tribune Interview, February 1986

p) Nationalising Private Hospitals.

'Why don't we in the National Health emergency which we will inherit, take into public ownership their private hospitals and their private clinics when there are long NHS waiting lists?'[1]

q) Checking NHS Co-opeation with the Private Sector.

'We can be expected to reverse ... the contracts made with private health institutions for the care of NHS patients, and the provision of tax relief to encourage the sale or lease of NHS land to private interests'.[2]

r) A "Conscience Tax".

'We want to reduce the entire scale of the private sector and put the money and resources back where they belong. And one way to do that would be a "conscience" tax on private patients who can well afford it'.[3]

s) End Competitive Tendering.

'The programme includes issuing directions, shortly after the election of a Labour Government to all Health Authorities to stop competitive tendering, and to cancel existing timetables for tendering. As contracts come up for renewal Health Authorities will be directed to make arrangements to provide ancillary services in-house'.[4]

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1 COHSE Conference, Daily Telegraph, 27th June 1984
2 Press Release, December 1983
3 Daily Mirror, 27th March 1986
4 Speech to NHS Managers, 17th April 1986

PRIME MINISTER 25 July 1986

NHS MANAGEMENT

Any practical reforms in NHS management at the centre have to recognise two crucial constraints:

i. The present legal framework. The NHS is not a legally independent corporation but a body under Ministerial and Parliamentary control.

ii. The political realities. Ministers can't escape being answerable to Parliament for a service more dependent on the taxpayer than even the most bankrupt nationalised industry.

The real question for your meeting on Tuesday is how to breathe new life into NHS top management within these constraints.

The analysis in the DHSS note is more pessimistic than Norman Fowler's covering minute. The crucial statements are in paragraphs 7 and 8 on page 3: "There is very little room between Parliament, Secretary of State and the Health Authorities in which to fit a National Health Service Management Board . . . the RHA Chairmen and their Authorities will not yield to the Management Board their accountability to the Secretary of State and their power of direction over District Health Authorities".

If that is the DHSS analysis, one wonders why the Department accepted the recommendation in the Griffiths Report that, without legislation, we go ahead and appoint a "General Manager, Chief Office, or Director General who would act on behalf of, and be seen to be vested with executive authority derived from the Secretary of State".

Norman Fowler's recommendation is for carrying on as we are (Option 2). He would appoint a successor to Victor Paige, who would be within the Whitehall machine and not have any real executive authority. Does Norman Fowler believe that this is compatible with the Griffiths Report recommendation above, which he has endorsed in Parliament?

I believe there are two ways forward which would do much more to keep top management of the NHS alive. They are not necessarily incompatible. Legislation would probably not be necessary in either case.

First, appoint a politically accountable Minister who also has the time and competence to give a managerial lead. District and Regional Managers would look to him as the natural head of their hierarchy, and yet he would personally embody the principle of accountability to Parliament as well. He would be subordinate to the Secretary of State. There are obviously sensitive political considerations here, which are not for me to comment on.

Secondly, appoint a Chairman of a Management Board who is big enough to carry respect and authority in the Service as a whole. Provided we put our minds to it, I believe we can avoid the pitfalls encountered with Victor Paige. There are three reasons for believing that this prize is still within our grasp:

i. In the past 2 years we have succeeded in introducing General Managers and giving them real power at District and Regional level, despite political and legal difficulties as great as those we face at the centre. Indeed increasingly, the criticism one hears in the Health Service is that the centre seems incapable of reforming itself in the way that it demands of others.

ii. Regional Chairmen have jealously guarded their traditional right of dealing with the Secretary of State in person because they have not felt there was anybody else it was worth dealing with. But the failure of Victor Paige has left Chairmen chastened, and my understanding is that they would work to a new man provided he was not swallowed by the Department and was clearly working with the Secretary of State's authority.

iii. There is a practical management job at the centre which is not a normal Civil Service advisory function, nor the purely political task of a Minister. Initiatives such as cutting waiting lists, selling off surplus NHS property, eliminating waste in the purchase of supplies, making more use of the private sector and disentangling the nightmarish Whitley agreements can sensibly fall to top management. Whitehall officials are trained to give lucid policy advice: they are not in general very good at managing large organisations. Ministers can do it (Peter Morrison did it with the MSC, Ken Clarke and John Patten tried with the NHS) but normally do not have the time.

Norman Fowler's option 3 comes closest to a realistic strengthening of NHS management at the centre. But we might not necessarily have to set up a special health authority to achieve what we want. We can't know until we have properly worked out what functions and powers should rest with any new management authority. I recommend you invite Norman Fowler to provide such an account.

That exercise should also oblige the DHSS to confront the uncomfortable question of the rôle of civil servants at the centre. Norman Fowler's full ministerial authority should rest on two pillars. One would be an executive pillar

culminating in a Management Board. The other would be a normal Whitehall Department covering public health policy, funding of the NHS and the general statutory duties of health authorities. The Griffiths Report covered the rôle of the DHSS and stated that "as a coherent management process is developed .... the DHSS should rigorously prune many of its existing activities".

The recent report from the Social Services Committee, attached as an annex to the DHSS paper, makes a very similar point. It states that:

> "We believe that some of the tensions between Ministers and a management board could be lessoned if the responsibilities of the management board and its Chairman were more closely defined. We recommend that before seeking a successor to Mr Paige, Ministers .... define the responsibilities of the NHS Management Board and of its Chairman and of the relationships and responsibilities within the Department."

Conclusion

We still need dynamic management at the top of the Health Service. Norman Fowler's option 2 - carrying on with the current arrangements - won't deliver it. Before we get trapped in tricky legal questions about whether a special new health authority could do it (option 3) we need to get down to brass tacks. Norman Fowler (maybe consulting Roy Griffiths) should distinguish the management tasks for the Board and the health policy jobs for the Department. Then when we are clear what a Management Board has to do, we can decide whether option 3 is the best way to do it.

David Willetts

DAVID WILLETTS

SECRET AND PERSONAL.

4

Copy No 1 of 3.

cc DW
BHP

PRIME MINISTER

THE NATIONAL HEALTH SERVICE MANAGEMENT BOARD (NHSMB)

You asked me (your Principal Private Secretary's letter of 7 July) to let you have a note on the changes which might be made to the NHS management structure at the centre, with or without legislation, and so assist us in dealing with the succession to Victor Paige as Chairman of the NHS Management Board.

The attached memorandum does this. It describes five options and their consequences:

Without primary legislation

Option 1. Abolish NHSMB. No

Option 2. Maintain it in its present non-statutory form.

Option 3. Set up a statutory health authority in its place, by Order under Section 11 of the 1977 Act subject to negative resolution in Parliament, to advise Ministers.

With legislation

Option 4. Set up a statutory health authority in its place but with executive responsibilities and a power to direct health authorities in England. This could develop from Option 3.

Option 5. Set up an independent National Health Corporation with revenue-raising powers etc.

SECRET

The first three options would entail the appointment, as successor to Victor Paige, of someone qualified to fill a Civil Service (Second Permanent Secretary) post in the Department, to lead the official team and act as Accounting Officer. The third and fourth options would entail in addition the appointment of a part-time Chairman of a separate statutory health authority. The fifth option is very long-term and would necessarily entail one of the other options first to deal with the succession to Victor Paige.

I am attracted by the idea of bringing into public debate at the appropriate time the proposal for a National Health Corporation. Such a corporation would be a logical extension of the concept of general management in the NHS. But I appreciate that this would require a long-haul in carrying through the necessary consultation and legislation with very sensitive handling and presentation at all stages.

As to the other options, the first, straight abolition, is simple but, I believe, misguided. Notwithstanding the Management Board's lack of formal status, I am satisfied that its composition and its increasingly professional approach in support of Ministers mean that it is starting to work as a bridge between Ministers and health authorities. We would lose that - and much goodwill - by removing the Board just as it is beginning to produce results without putting something better in its place. In any case, the Board's functions would still have to be performed by senior officials in the Department, and a Second Permanent Secretary replacement found for Victor Paige. To make such an appointment and at the same time announce the end of NHSMB would be read as an admission of defeat and a withdrawal from our commitment to the better general management of the NHS. (The option of abolishing the Board without appointing a successor would simply transfer the burden to the First Permanent Secretary and this is not on.)

The second option, of keeping the present Board with a new Chairman and perhaps additional non-executive members, has the great merit of consistency of purpose. Victor Paige's misguided assumptions (shared by many in the NHS) about the Board's independence do not prove that the Board is unworkable.

Both the third and fourth options - an advisory or executive health authority for England - provide a more formal and effective mechanism for bolting the Regional Health Authorities and their Chairmen, and representatives of the professions, into central management. The executive authority option also extends the clear management line from Ministers to districts, and could be very attractive on this score. Moreover, under these options we would be able to appoint a substantial politically attractive figure to succeed Victor Paige as Chairman while appointing a senior official as the Accounting Officer.

The executive option cannot, however, be fully achieved immediately as the authority would have no power to direct other authorities - unless the law officers believe that the legal powers are wider than our own lawyers believe they are. This could be circumvented in the short term, provided we were committed to introducing the necessary legislation quickly, by setting up the advisory health authority as a first step.

There are some attractions in this course. But I do not believe that setting up an advisory body, even as a first stage, would be seen as a convincing response to the resignation of Victor Paige. It would, moreover, commit us to primary legislation at an unspecified date, so that it would not be likely to make a lot of difference on the ground for some while. I believe, therefore, that for the short term we should fall back on the second option, showing consistency of purpose with our previous stance, while not losing sight of the proposal for a National Health Corporation as our longer term aim.

22 July 1986

N F

F.R.

A

SECRET

Copy No.1 of 3.

CENTRAL MANAGEMENT OF THE NHS IN ENGLAND

Background

1. Under existing legislation (NHS Act 1977) powers to appoint, finance and direct health authorities in England are vested almost wholly in the Secretary of State*. Regional Health Authorities have power to direct District Health Authorities, but not Family Practitioner Commiees (FPCs) or Special Health Authorities (SHAs); but otherwise the power of formal direction - and hence the power to guide informally - is vested wholly in the Secretary of State. The Secretary of State may delegate his functions to sub-ordinate authorities (DHAs and RHAs); and he can also establish SHAs under Section 11 of the Act to whom he can delegate functions, but it is doubtful if under existing legislation he can delegate his power of direction to any other body or person.

2. The policies and powers of the Secretary of State relating to the central management of all the health authorities in England (nearly 300) have therefore been conventionally discharged since 1948 by the central government Department acting in his name. That position was not changed by the setting up of the NHS Management Board (NHSMB).

The NHSMB

3. The existing NHSMB is not a statutory authority and it is not a corporate body. It is a group of senior officials who carry out in the Department, under the direction of Ministers, certain central functions relating to the management of Health Authorities in England. Its members were recruited from the private sector, the NHS, and the Department, mostly into a

*Footnote: Separate and different central management arrangements apply in the rest of the UK. In terms of services, personnel and expenditure, none of the other countries is much bigger than any one of the 14 English Regions.

SECRET

Contd.....

number of Civil Service posts within the Department's Senior Open Structure (two are consultants on contract). The Chief Medical Officer and Chief Nursing Officer are also members but each has other responsibilities as principal advisers to the Secretary of State on medical and nursing matters. The Chairmen of NHSMB is the Accounting Officer for the Hospital and Community Health Service (HCHS) Votes. The Board's remit does not extend to family practitioner services (general medical and dental practitioners and chemists who are independent contractors, not employees).

4. The programme of management development in the Health Service ante-dates the Board; and the implementation of two key elements in the Griffiths Report (the introduction of cost-improvement programmes and of general management) were well under way before the Board started. The Board has been functioning as a group only since April 1985 and some senior appointments were not made until late in 1985. Nevertheless, in recent months some significant progress has been made in the personnel field; and general management in the Health Authorities has begun to respond to the Board's leadership in financial management and the planning and delivery of HCHS services. In brief, it is now doing a more professional job in the Department than hitherto in supporting Minister's management responsibility for the HCHS.

5. The status and role of the Board has however been widely misunderstood from the outset in the NHS and in Parliament. In the NHS it was thought to be independent of Ministers; in Parliament and the media it was thought to have power directly to manage the health service. It is and can be, under existing legislation, neither independent nor executive in its own right.

The Problem

6. This confusion about the status of the Board has been brought into sharp focus by Mr. Paige's resignation. The Social Services Committee have reported on it - see Annex. And the appointment

of a new Chairman will serve only to bring it back into public and Parliamentary debate. The Government announcement of a successor to Mr. Paige will therefore, need to describe his role with sufficient clarity to dispel the misunderstandings in Parliament and elsewhere.

7. The two key issues are the status of the Board and its powers. There is very little room between Parliament, Secretary of State and the Health Authorities in which to fit a NHSMB. Any endeavour to enhance the legal status of the NHSMB, for the purpose of making a positive response to the present uncertainties, must in some degree impact on the existing statutory interests.

8. This is because the Board's role must be related to:

i) the political accountability of Ministers;

ii) the power of Parliament to secure that accountability from Ministers and the Accounting Officer;

iii) the interests of the clinical professions who actually provide health services and who, since 1948 have negotiated the terms on which they do it directly with Ministers; and

iv) the functions of Health Authorities who have the statutory responsibility for ensuring that hospital and community health services are delivered in their Regions and Districts. In particular, the RHA Chairmen and their Authorities will not yield to the NHSMB their accountability to the Secretary of State and their power of direction over District Health Authorities.

The following paragraphs consider the options against this background.

The Options

Abolition

9. Option 1 is to abolish the Board. Its members would continue in their official or contractual duties under the direction of Ministers as elsewhere in the Department. The Accounting Officer would then be either the First Permanent Secretary, as hitherto, or a Second Permanent Secretary to replace Mr. Paige and appointed to lead the work of the Department in this area (cf Social Security). The bringing together of those officials concerned with the central functions relating to the management of the HCHS in England would continue: and the Department would continue to utilise the new and valuable skills recently acquired from the private sector and the NHS.

The NHSMB Continued - or Enlarged

10. Option 2 is to continue with the present arrangements - a non-statutory body headed by a Second Permanent Secretary in succession to Mr. Paige, who would also be the Accounting Officer, with the existing civil servant members recruited from a variety of backgrounds. There might be some scope, by administrative action, for clearer delineation of the Board's responsibilities and for the appointment of "non-executive directors" representing e.g. the clinical professions or perhaps, RHA Chairmen. Any new lines of demarcation would need to be made public and be accepted by successive Ministers, by Parliament and by the Health Authorities.

11. The remaining options would require statutory underpinning in one form or another to remove the uncertainties in the present arrangements.

A Statutory Health Authority

12. Option 3, the simplest, is to abolish the existing NHS Management Board as such and set up in its place a statutory

body as a Special Health Authority by an Order under Section 11 of the NHS Act 1977. (Similar bodies have been set up before - one, the NHS Training Authority is already chaired by the acting Chairman of the NHSMB.) The Secretary of State would continue to be directly responsible for central NHS management functions, but would look to the Authority for advice and support. The Authority would have no executive/or powers of direction over the Health responsibilities Authorities - and would, therefore, be essentially advisory to Ministers. It would derive its status and influence by having locked into it as members some representative RHA Chairmen; other representatives of relevant interests; and, in particular the Accounting Officer and Chief Medical Officer from the Department so that it would be effectively underpinned by the senior officers in the Departmnet. Its Chairman would be a part-time "political" appointment like the Chairman of other Health Authorities. The Accounting Officer could be Deputy Chairman; and the Department would provide the Secretariat for the Authority. This would entail two appointments: the part-time Chairman and the full-time Accounting Officer, who would be a Second Permanent Secretary in the Department as now.

A Statutory Health Authority With Executive Powers

12. Option 4 would take this a step further by endowing the Special Health Authority which replaced the NHSMB with executive responsibility for carrying out such of the central management responsibilities for the HCHS as Secretary of State might choose to delegate and, more importantly, with power to direct Health Authorities accordingly. Such an Authority would become a true link in the management chain between Ministers and Health Authorities. It could comprise a part-time or full-time Chairman and members, or a mixture of both, again including representatives of the RHA Chairmen and other interests. It would require its own staff, who could be civil servants (like the MSC), including a Chief Executive/General Manager. He would also be the

Accounting Officer for the HCHS.

13. The powers of this Authority would need to be defined in the Order setting it up. It seems clear that Section 11 of the 1977 Act is not adequate for this purpose and primary legislation would be necessary: the Law Officers could be asked to confirm this. The existing legislation would not in any case allow the HAE to assume executive powers over FPCs. It would, of course, be possible to move from Option 3 to Option 4 in stages, with the appropriate, and relatively simple, primary legislation being enacted in a year or two to enable Option 4 to be achieved with certainty.

Separate Corporation

14. Option 5 envisages radical change and the creation of a National Health Corporation to take over the Secretary of State's executive powers. The Secretary of State would need to retain responsibility for decisions on the funding of the NHS and a general duty to ensure the provision of reasonable health services but the day-to-day management of the NHS would cease to be done by and accounted for by Ministers. It would be desirable to retain a regional management tier in the NHS (but not necessarily the present system of regional Authorities) since although the National Corporation would need a clear line of management accountability from districts it could not directly manage nearly 300 authorities. A Corporation on this scale would assume responsibility for the Family Practitioner services, as well as the HCHS and it might also be desirable to give the Corporation revenue - raising obligations, so as to impose financial responsibility and discipline.

15. A National Helath Corporation on this scale would be a major reconstruction of the NHS along paths which were only tentatively explored by the Royal Commission of 1977. It would entail a completely new relationship with Ministers and the Whitehall Health Departments and with the professions. It is material for a Green Paper and extensive consultation

leading to a major Bill in the next Parliament. It could not be embarked upon as a response to the need to replace Mr Paige as Chairman of NHSMB, but would require the case to be made for proposing such an exploration in its own right. Whether or not this were done, one of the other options would need to be pursued to deal with the immediate situation raised by his resignation.

Procedure and timing

16. Options 1 and 2 would entail an appointment to a senior civil service post under procedures which would have to comply with the Civil Service Order-in-Council, ie either by promotion or open competition. Option 3 would also require that for the Accounting Officer but it, and Option 4, would also entail the appointment, by our normal "political" process, of a Chairman of a Special Health Authority: in the case of Option 4 this could only be done after primary legislation.

22 VII
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ANNEX

CC DW
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EXTRACT FROM THE REPORT FROM THE SOCIAL SERVICES COMMITTEE ON PUBLIC EXPENDITURE ON SOCIAL SERVICES 1986

32. In response to Griffiths and in order to encourage general management at the centre, the Secretary of State set up an NHS Management Board, and from 1 January 1985 appointed Mr Victor Paige, previously Chairman of the Port of London Authority, to be its Chairman. On 3 June 1986, Mr Paige resigned from his post. In his letter of resignation he wrote—

> "Ministers and the Chairman of the Management Board can approach the same issue with different perspectives, priorities, objectives and restraints. The conclusions are not always compatible. Also there are always others in the action—or trying to be! Within my remit that makes for difficulties in working to the management standards and style to which I am committed."[70].

Mr Heyhoe believed that differences in approach between Ministers and the Chairman were natural [71] but he did not wish to interprete what he called Mr Paige's "somewhat delphic sentences"[72]. The Government is still committed to the introduction of general management at the centre, and Mr Paige is to be replaced[73].

33. The resignation of Mr Paige illustrates the problem of introducing a managerial administrative framework into a national service for which Ministers are accountable to Parliament. We agree with Mr Heyhoe that—

> "Members of Parliament place very considerable importance upon their ability to raise with the Minister of the day issues affecting the health care of their constituents both in groups or as individuals"[74].

We would be disturbed by any move which diminished the direct accountability of Ministers to Parliament for the National Health Service. Nonetheless, we believe that some of the tensions between Ministers and the management board could be lessened if the responsibilities of the management board and its Chairman were more closely defined. We recommend that before seeking a successor to Mr Paige, Ministers, in consultation with this Committee, define the responsibilities of the NHS management board and of its Chairman and the relationships and responsibilities within the Department; and that Parliament be informed of the responsibilities of the new Chairman and his relationship with Regional Chairmen and Regional Health Authorities.

MR. INGHAM cc MR. NORGROVE

DAILY MIRROR/DHSS

Following your minute of 17 July, I talked to Tony Laurence in the DHSS Private Office about progress for countering the continued misrepresentation of the NHS by the Daily Mirror. I particularly asked about the prospects of a series of Parliamentary Answers nailing the Mirror's stories.

Tony Laurence said he would investigate this further. His office tell me that drafts were circulated within the Department at the weekend. Tony Laurence will be in touch, later today I hope, with further news. Meanwhile, you may want to explore what is happening on your front.

N. L. WICKS
21 July 1986

nat. health exp.

CONFIDENTIAL

ECCBII

abb

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

21 July 1986

Dear Mr Laurance

WAITING LISTS

The Prime Minister has seen your Secretary of State's minute of 15 July about the proposed initiative on waiting lists.

The Prime Minister is content, subject to the views of colleagues, that this announcement should be made. In carrying the initiative forward she believes that it would be helpful to set an internal target for what might be achieved, for example, to aim to reduce by a quarter the number of people waiting more than a year and to achieve that by December. A target along these lines would help to focus the initiative. It would also be useful to distinguish between Districts, so that comparisons can be made between the best and the worst. This might be carried to the point that a bad and a good District within one region could in a sense be "twinned" so that one could learn from the other. The Prime Minister also hopes that the initiative will take forward the development of an internal market within the NHS, so that a hospital short of resources or capacity in a particular area could buy operations from other NHS hospitals or even from private hospitals.

Finally, the Prime Minister recognises the wish not to make too much of a splash with the announcement before the initiative has begun to achieve results. On the other hand, publicity is itself a way of applying pressure to achieve results and it may well be helpful for Ministers to emphasise that reducing waiting lists is a high priority.

I am copying this letter to Joan MacNaughton (Lord President's Office), Colin Williams (Welsh Office), Jim Daniell (Northern Ireland Office), Robert Gordon (Scottish Office), Jill Rutter (Chief Secretary's Office, H.M. Treasury) and Andrew Lansley (Chancellor of the Duchy of Lancaster's Office).

Yours sincerely

Monica Jersey

pp DAVID NORGROVE

Tony Laurance, Esq.,
Department of the Health and Social Security.

CONFIDENTIAL

Prime Minister

Agree to write as proposed?

JCW 18/7

PRIME MINISTER

17 July 1986

WAITING LISTS

At last! In December, you asked Norman Fowler to come forward with practical proposals to cut waiting lists. Seven months later, he wants to take the first steps with 24 hours' notice. It resembles the way a bad NHS consultant treats his patients - a good long wait and you're suddenly told your operation is tomorrow. This is an outrageous example of Norman Fowler keeping you on his waiting list.

It is not as if he has come up with anything bold or novel. Norman Fowler just wants to ask Districts to review long waiting lists and put forward proposals by October. That on its own is too limp. The following four suggestions would add some backbone to the initiative.

Defining "long" waiting lists

The waiting list campaign should follow the Restart model - define a particular problem, and then deal with that. The waiting list of about 670,000 looks difficult to attack. But of that, about 130,000 people have been waiting for more than a year; and of those, 33,000 are concentrated in the 13 worst Districts.

Norman Fowler talks vaguely of reducing long waiting lists. Instead, we need to define the problem precisely and set ourselves a target for dealing with it. That will concentrate minds in the DHSS and in Districts. I recommend an internal target (we needn't publish it) of a 25% reduction in people waiting more than a year, by December.

Good boys and bad boys

The DHSS regards every problem as nationwide. They hate making "invidious" comparisons between good and bad Districts. They want to treat waiting lists as a macro

problem, and risk being told there's a macro solution - more money. But why is it that last year there was a waiting list of 1,760 for general surgery in Tees South - half of whom had waited for more than a year - whilst there were 51 on the waiting list in Tees North, none of whom had waited more than a year? If we bring it down to specifics, the problem is more vivid and more manageable. Success should be identified and rewarded: failure needs special assistance and effort. I recommend linking a bad and a good District within one Region so that one can learn from the other?

The DHSS concern is that too high a profile would antagonise the consultants, who would then refuse to cooperate.

We must be serious

Districts get a host of fussy instructions and requests from the centre. They sensibly ignore most of them. They only respond if Ministers make it clear that this is something they really care about. The DHSS don't want to make a fuss about waiting lists until they're sure that we can succeed. But we probably won't succeed unless we begin by making a fuss. So Ministers have to emphasise that reducing waiting lists is a top priority. Polls certainly show that it is one of the big criticisms of the Health Service. One obvious signal would be to stress waiting lists in the Conference motion on health this year.

A free market

Districts may try to reduce waiting lists just by carrying out more operations in their own District hospital. But the best and cheapest solution may be to buy operations from a London teaching hospital, or from the private hospital down the road. That would also wrong-foot the Opposition: are they against reducing waiting lists if that means buying work from the private sector?

Conclusion

I recommend that David Norgrove write to the DHSS making the points that:

a. we need a clear internal target;

b. we should focus on the best and worst Districts;

c. we should stress the importance of this initiative;

d. the campaign to cut waiting lists can strengthen our push to a free internal market in the NHS.

David Willetts

DAVID WILLETTS

NAT HEALTH

EXPENDITURE

PTL

PC B/F NCW
Monday 21. July

CONFIDENTIAL

MR WICKS

DAILY MIRROR/DHSS

We have only a week left in which to employ the procedures of Parliament against the continued misrepresentation of the NHS by the Daily Mirror (further example attached) on the lines we discussed.

I do hope some action is being taken to table Questions and/or Early Day Motions.

I am copying to Romola Christopherson who has yet to take up her post at DHSS.

Spoke between
the 2 papers.
NCW
17.7

BERNARD INGHAM
17 July 1986

FOR THE PRIME MINISTER - THURSDAY 17 JULY 1986

MIRROR ARTICLE - 17 June 1986

Guy's Hospital

Children's Cardiac Unit

Line to Take

This is another example of a misleading and melodramatic press story which paints a false picture of the standard of health care in a London teaching hospital and is liable to cause unnecessary alarm to the parents of children awaiting treatment.

First and foremost, the Children's Cardiac Unit is not faced with cut backs. It has recently in fact expanded from two beds to four. The only delay in making it fully operational is the time it is taking to recruit the right calibre of paediatric nurses to staff the two extra beds. It is not, repeat not, a question of money. Meanwhile all emergency cases are being covered.

The temporary closure of 8 of Guy's 11 operating theatres has been brought about by the need to upgrade the air conditioning system. All emergency cases will be covered in the remaining 3 theatres. By early September all 11 theatres will be in full working order and even better able to provide health care facilities for patients.

Background Note

It is totally false to claim, as the article does in its last but three paragraph on page two, that "the hospital can only staff two intensive care beds". Bed numbers in the children's cardiac unit have recently been doubled from 2 to 4. However paediatric nurses of the right calibre have not yet been recruited to staff these two extra beds. Guy's has the funds to recruit the additional staff, it is not a question of money, but, like other hospitals, it is finding it difficult at present to attract agency or NHS nurses in this particular specialism.

It is possible that the two staffed beds in the Unit were occupied in June when Hayley's operation was postponed. This delay was emphatically not due to cost cutting. No child will be asked to wait for an operation if by doing so their health will suffer. This applies to 'hole in the heart' children for whom a delayed operation will not be critical. Emergency cases must always take priority.

Temporary Closure of Operating Theatres

In June Legionella was discovered in the air conditioning system feeding 8 of the 11 operating theatres at Guy's. This system had to be replaced. Work on replacement will take over six weeks but by careful planning closure of the theatres will last for six weeks from 4 August.
Meanwhile, the remaining three theatres, fed by a separate air conditioning system, will be covering emergency cases.

EXPENDITURE FROM 1979

Year	Net Cash Expenditure (Regional Allocatim)
1979/80	£61.2m
1980/81	78.3
1981/82	88.4
1982/83	93.3
1983/84	99.6
1984/85	102.5
1985/86	107.2

Daily Mirror

17 JUL 1986

CRISIS IN THE NHS

Face that shames Thatcher's Government

By JILL PALMER

JUNIOR Health Minister Ray Whitney winges that things aren't rally too bad in our hospitals. Tory chairman Norman Tebbit whines about "scurrilous" Daily Mirror reporting on the Health Service Crisis.

But here's a picture that shames them both — the face of a child who waits for life saving heart surgery which she can't get done oin the cash-starved NHS.

Twenty-month old Hayley Knight must have the operation to mend a hole in her heart and repair

Turn to Page 2

Tories' shame

From Page One

an artery before she is two years old.

But Guy's Hospital in London, where she is a patient, is closed to all routine surgery for the next six weeks.

Now Haley's anxious parents are trying to raise £5,500 to have the operation done privately.

Her 25-year-old father Stephen, from Woolwich, South East London, said: "Hayley keeps having blue spells where she can't breathe and has to be rushed into our local

"The doctors tell us they will consider her for the operation when they reopen in September. But by then there will be so many children on the waiting list that we are frightened she might not get it done.

Fear

"She needs the operation as soon as possible and if it means paying that is what we will do."

Hayley should have had the operation in April but went down with a bug.

She was due to be readmitted to Guy's in June. But all children's heart operations — including emergencies — were stopped for two weeks because of cash cuts and a shortage of nurses.

The hospital can only afford to staff two intensive-care beds and both were occupied.

Now Guy's is closing to all but emergency surgery for six weeks while work is done on the air conditioning.

Surgeon Max Rendell, clinical superintendent at Guy's, said: "Only three operating theatres will be in action so we will only do emergency surgery.

"Stopping admissions will save money, but that is not the primary purpose."

CC(84)

PRIME MINISTER

Any David Willetts comments by tomorrow night please.

WAITING LISTS

We have for some time been discussing ways of reducing waiting lists with Regional Health Authorities. I am glad to say that they have now agreed to initiate a drive to reduce both waiting lists and waiting times. I shall be setting action in train at a meeting tomorrow with Regional Chairmen and I propose to announce the initiative in the next few days by means of a Written Answer, a copy of which I attach.

It will take some time to make a substantial impression on the problem and I envisage action continuing over the next three years.

Regions are being asked in the first place to arrange for every district in the country to review waiting times and waiting lists for in-patient treatment and also the time which people have to wait for outpatient appointments. Where these are long, districts will be required to establish the reasons and draw up specific proposals for bringing them down. The proposals will vary from place to place since a combination of factors can be responsible for long lists. Sometimes it will be a matter of improving the coordination and management of services - for example by reducing the time between admission to hospital and the carrying out of an operation. In others it may require the introduction of new techniques to reduce treatment time or to make day treatment possible.

Districts will be working up their analyses and proposals with Regions who will report back to us on progress by the end of October. I am clear that significant improvements can be made within existing resources and districts will be expected to draw up their initial proposals on this basis. Extra resources may, however, be needed

to remove particular bottlenecks. Further action will, therefore, depend in part on the outcome of the current public expenditure negotiations.

The cooperation of the medical profession will be particularly important to the success of the initiative. We have discussed the issue both with the Joint Consultants Committee and the General Medical Services Committee. Their attitude was that they would not be able to support any initiative unless they had an assurance that additional resources would be provided. They may, therefore, give the initial announcement a cool reception. I am sure though that we should proceed now in order to make a significant impact over the next twelve to eighteen months.

I am copying this minute to Willie Whitelaw, Nicholas Edwards, Tom King, Malcolm Rifkind, John MacGregor and Norman Tebbit.

N F

15 July 1986

DRAFT PQ AND ANSWER

Q. To ask the Secretary of State for Social Services, what action he is taking to reduce waiting lists for NHS patients.

A. The record of health service staff in increasing the number of patients treated is an excellent one. Waiting lists are now lower than they were in 1979. In England at 31 March 1979 they stood at 752,422. By September 1985 they had fallen to 661,249. This was in spite of industrial action in 1982 following which waiting lists rose by about 100,000 cases.

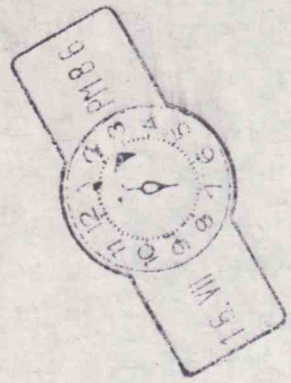
Nevertheless, waiting lists are still too high. In some places, and for some kinds of treatment, people are having to wait too long.

I have therefore asked the Chairmen of the Regional Health Authorities to initiate a drive on long waiting lists and waiting times. To make a substantial impression on the problem will take time and so I envisage action continuing over the next ~~five~~ three years. The Chairmen have been asked to start the process by reviewing the waiting lists and times for in-patient treatment in every District in the country. They have also been asked to review waiting times for outpatient treatment. Where these are unsatisfactory, they will ask the Districts to establish why this is so, and to decide what needs to be done to improve matters. The Regional Health Authorities will report by the end of October on the results of the review and on the proposals for action which they have agreed with the Districts. Further action will then be put in hand.

Experience in a number of districts who have acted to reduce their waiting lists has shown that reorganisation and better coordination of existing resources can bring lists and waiting times down. Better planning of the use of staff, operating theatres and beds can enable more patients to be treated.

For example, NHS staff have already done much, by changing methods and introducing new techniques, to enable patients to be treated as day cases and to reduce lengths of stay in hospital. By these and other means further progress will be possible.

I know that health authorities are now seized with the need to make a real attack on long waiting lists and times and I look forward to receiving the reports on their progress later in the year.


PM 8
16 III

Prime Minister

9 July 1986

MR WICKS

c Mr Ingham

BROCHURE FROM TRENT REGIONAL HEALTH AUTHORITY

Here is some more information about the brochure which impressed the Prime Minister so much at this morning's meeting.

The idea came from the Manager of Trent RHA. He felt he had a record and a plan to be proud of, and wanted to spread good news. Professional designers helped prepare it. 8,000 copies have been printed at a total cost of £25,000. Budget constraints meant that they couldn't prepare enough to distribute to all patients, or even to all staff. But copies have gone out to libraries, Community Health Councils, voluntary bodies, unit managers, and to all MPs in the Region. They have also distributed many copies to on schools because they want the brochure's positive message to bolster their recruitment policy.

They wanted a picture and a simple message dealing with each of the major groups they have to care for (eg the mentally handicapped). The brochure therefore has much less prose than other documents prepared by individual Regions.

David Willetts

DAVID WILLETTS

Your views

If you want to make any comments, you can do so by writing before **31 December 1986** to:

In England –

Primary Health Care,
DHSS,
Eileen House,
80-94 Newington Causeway,
LONDON SE1 6EF.

In Scotland –

Primary Health Care,
Scottish Home and Health
Department,
St Andrew's House,
Regent Road,
EDINBURGH EH1 3DE.

In Wales –

Primary Health Care,
Welsh Office,
Cathays Park,
CARDIFF CF1 3NQ.

In Northern Ireland –

Primary Health Care,
DHSS Northern Ireland,
Dundonald House,
Upper Newtownards Road,
BELFAST BT4 3SF.

Further copies of this leaflet are available from DHSS Leaflets Unit, PO Box 21, Stanmore, Middlesex HA7 1AY.

Copies of the consultative document *Primary Health Care: An Agenda for Discussion* and of the report *Neighbourhood Nursing: A Focus for Care* can be obtained from HMSO.

Prepared by the Department of Health and Social Security and the Central Office of Information.
Printed in the UK for HMSO. Dd8933661 J0211NJ (HSSH) 500M April 86.

Primary Health Care

The Government's proposals for discussion on health services outside hospital.

Our primary health care services deal with over nine-tenths of the contacts that the public have with the health service. They include all the services provided outside hospital by family doctors, dentists, pharmacists and opticians and by the health visiting and other community health services. In the United Kingdom we spend about £5,000 million a year on primary health care in the Health Service. On an average working day over a million people use the services. It is therefore particularly important to ensure that this part of the Health Service is doing its job properly and providing the highest possible standards of care. Yet until now these services have never been comprehensively reviewed. We decided to study them and prepare a discussion document. This leaflet provides a brief summary of the main proposals in that document – entitled "Primary Health Care" – which the Government will now use as the agenda for public discussion.

Norman Fowler
Secretary of State for Social Services

Nicholas Edwards
Secretary of State for Wales

Tom King
Secretary of State for Northern Ireland

Malcolm Rifkind
Secretary of State for Scotland

The Government's objectives

The Government's aim is to improve services for the public. Its key objectives are:

- to make services more responsive to the consumer;
- to raise standards of care;
- to promote health and prevent illness;
- to give patients the widest range of choice in obtaining high quality primary care services;
- to improve value for money;
- to enable clearer priorities to be set for family practitioner services in relation to the rest of the NHS.

Family doctors

In this country almost everyone in need of medical treatment goes first to a family doctor. There have been major advances in recent years in the services available but there are still considerable variations in standards. The Government wishes to raise the general quality of services nearer to that of the best. To achieve this, it has made proposals for discussion on a number of key issues.

Raising Standards The present structure of the general practitioners' contract has undoubtedly raised standards. But it needs to develop to meet new needs. There is a growing feeling in the profession that the highest standards of performance – which may cost the doctor more to provide – should be encouraged and rewarded in the remuneration system. The Government has set out proposals for a "Good Practice Allowance".

On average only 45% of a doctor's pay is related directly to the number of patients on his list. This proportion could be increased in order to provide a greater incentive to doctors to practise in ways that will encourage patients to join their lists.

Information about Services The Government wants the public to have more comprehensive and accessible information about the different types of services available from doctors in their area to help them choose the sort of practices they want. It wishes to see information on every practice made widely available through surgeries, Family Practitioner Committees, Health Boards, local consumer groups and the media.

Choice of Doctor The Government believes that the freedom of patients to choose their doctor can be an effective influence on the quality of services. The system for registering with another doctor is already simple but could be made easier still.

Training In 1981 the Government introduced compulsory three year vocational training for general practitioners. In addition, the Government wants to see greater emphasis in medical schools on the role of primary care and its interface with the hospital and specialist services, and to increase the proportion of general practitioners involved in post-graduate education.

Retirement The present arrangements under which there is no upper age limit for general practitioners were introduced in 1948 when there was a shortage of young doctors. They are now out of date. The Government believes that there should be a flexible system which ensures that doctors do not continue to work past the age when this is sensible. It is proposed, therefore, that doctors should continue to be able to retire at 60 but that there should be compulsory retirement at 70; doctors would need approval to stay in practice over 65. The Government also intends to end the present system under which doctors can "retire" and rejoin the NHS almost at once and draw both their pay and pension.

Prevention The Government wishes to see discussion on what more might be done to promote prevention in primary health care.

Child Health Services The Government wishes to increase the number of family doctors involved in the regular checking of children under school age.

Dentists

Availability of Services The Government wants to ensure that the full range of NHS dental treatment is readily available to everyone who needs it. Access to NHS services might be improved if the NHS dentists' contract required them to provide NHS treatment for a given number of hours each week and also to provide the full range of treatment in the NHS fee scale.

Advertising The Government wants to increase patients' ability to make informed choices between dentists. A further relaxation of the restrictions on advertising could help.

Preventive Treatment There should be more emphasis in the dental services on oral hygiene and the prevention of decay. To achieve this the Government proposes that:

- the pilot scheme under which some dentists are paid a capitation fee for their child patients rather than fees for individual forms of treatment should be extended. If the promising results achieved so far are confirmed the Government will give all children the opportunity of being treated on this basis;
- the requirement to give proper advice on maintaining oral health could be more fully defined in the dentists' contract and this item given greater value in the payments system;
- health authorities in areas where dental health is poor or the level of attendance at the dentist is below average should consider the benefit of fluoridation with particular care.

Unnecessary Treatment The Government will act upon the report of the Committee of Enquiry into unnecessary dental treatment in England and Wales and take action on the majority of the recommendations later this year.

Retirement As with doctors, the Government intends to change the retirement arrangements for elderly dentists. The system under which dentists can "retire", draw their pension, and rejoin the NHS almost immediately will be ended and the Government proposes that there should be similar new arrangements to those proposed for doctors for the retirement of dentists between the ages of 60 and 70.

Pharmacists

An Extended Role The Government believes there is scope for making better use of pharmacy skills in advising patients and providing other services both for patients and doctors. It therefore welcomes the recent report of the Nuffield Foundation into the future development of pharmacy. With the benefit of that report the Government will examine carefully and positively what additional contribution pharmacies might make to NHS primary care.

Supervision of Dispensing Most modern medicines no longer need specialised dispensing skills as they are supplied ready-made by the manufacturer. The Government is proposing that the stringent supervision requirements for dispensing could be relaxed to enable the pharmacist to spend more time dealing with the public, explaining and advising on the use of the medicines.

Restrictions on the Sale of Medicines Some medicines are available only on prescription from a doctor; others can only be sold under the supervision of a pharmacist; and some are on general sale. Some restriction on the sale of medicines is necessary as a safeguard for the public but the operation of the system needs to be reviewed from time to time. The system was reviewed in 1982/83. The Government would welcome views on whether it would be appropriate to make further changes.

Opticians

The Government has already taken major steps to improve services to consumers. The opticians' monopoly has been ended and restrictions on advertising have been removed. As a result new businesses have started, budget-priced ranges of glasses have appeared and prices have gone down. Plans are in hand to issue vouchers in place of the present NHS supply of glasses to children and people on low income so that they too can benefit from a wider choice available in the private sector.

Inner cities

The Government is determined to make further progress in dealing with the problems of providing high standards of primary health care in inner cities. Many of the Government's proposals will help but those directed specifically at the problems peculiar to inner cities are:

- making the scheme for helping doctors provide purpose-built practice premises more sensitive to local needs;
- providing additional financial incentives to doctors practising in inner cities;
- making services more accessible to ethnic groups;
- experimenting with different contracts for doctors in inner cities.

Other proposals

Assessment of the Quality of Services There are already a number of forms of quality control in operation in the primary care services. But there may be a need for standards of service delivery to be evaluated more independently. As an experiment the Government proposes to appoint a team, composed mainly of health service personnel, to make a study in depth in one or two areas in England of the ways in which primary care services are being co-ordinated, planned, and delivered.

New Ways of Providing Services The Government hopes that primary care services will develop in ways that provide both an alternative source of care and also means of comparing the present services with those provided under different arrangements. There would be advantages to the public in being able to get different primary care services in the same premises. To facilitate this, the law which restricts to dentists and doctors the running of dental businesses for profit might be changed. And the NHS might, as an experiment, enter into contracts with practices which would undertake to provide a range of primary care services.

Number of Practitioners The numbers of doctors and dentists working in the family practitioner services over the years has increased faster than the population. The Government intends that there should be further increases, but to ensure that these are consistent with relative future priorities for the family practitioner services and the hospital and community health service it is necessary to consider what action might be needed to influence the growth rate in the numbers of practitioners.

Patient Charges The structure of dental charges is complicated. The British Dental Association has proposed a simpler system under which when people have to pay they would pay a fixed proportion of the cost of the services they had individually received. This would give the public a greater interest in the costs of their dental treatment. It would be possible to consider relating prescription charges more to the cost or importance of the medicines.

Complaints There is a statutory complaints procedure for dealing with serious complaints about doctors, dentists, pharmacists, and opticians in the family practitioner services. But it is complicated and time consuming and the Government believes it can be made simpler, more accessible, and more effective. The time limits for making a complaint may not be long enough and patients may need more help in presenting their cases. There should also be informal conciliation procedures to settle less serious complaints quickly and effectively.

Community nursing services

The report of the review of the community nursing services in England has been published simultaneously with the Government's discussion document. Ministers intend that there should be consultation and comment on that report as part of the primary health care debate in England. The main proposals in the report on which views are sought are that:

- community nursing services should be planned, organised and provided on a neighbourhood basis;
- there is scope for making more and better use of nursing skills;
- the effectiveness of the primary health care team needs to be improved;
- there should be a more integrated approach to the training of all nurses working outside hospitals;
- consumer groups could have a stronger voice.

Separate reviews of community nursing services are under way elsewhere in the UK.

Discussions

The Government wants to promote a wide public debate on all these issues and others that relate to the primary health care services. Ministers will therefore be holding a series of meetings with representatives of the professions, of consumer organisations and other interested bodies. But it also wants to hear from local bodies and individuals – those engaged in providing care, those receiving it and others with an interest in improving this vital part of the Health Service.

SECRET AND PERSONAL

Subject
cc master

hilb

3 DCA

bc BG
RTA

10 DOWNING STREET

7 July 1986

From the Principal Private Secretary

Dear Tony,

THE NATIONAL HEALTH SERVICE MANAGEMENT BOARD

The Prime Minister had a three-quarter hour discussion today with your Secretary of State about the NHS Management Board.

The Prime Minister said that the Chairman of the Management Board needed to be a considerable person with an outside reputation and the full confidence of the Secretary of State. He needed to have sufficient managerial authority to improve the performance of the Service. A good candidate might be John Banham of the Audit Commission. On Len Peach she wondered whether it would be wise to promote Victor Page's deputy into the job of Chairman since he might not have sufficient personal authority. The Secretary of State commented that Peach had made a good impression on the Supervisory Board.

The Secretary of State agreed that the Chairman of the Management Board needed to be someone well known with clout. It was, however, for consideration whether the job currently on offer would attract anyone of such calibre. This Chairman's job was not equivalent to the Chairman of British Rail or even of the Electricity Council. It was a mixture of a progress chaser and the Secretary of State's chief adviser. The Chairman did not have powers to impose his will on the Service as a whole, nor did he have direct line management authority over the Regional General Managers. Another possible candidate was Brian Nicholson, Chairman of the Manpower Services Commission. He had experience of a centrally financed organisation with some independence and responsibility of its own. Another possibility was Jim Ackers, Chairman of the West Midlands Health Authority, though the Government's critics would attack his appointment on the grounds that he was a personal friend both of Mr. Ken Clarke and himself.

SECRET AND PERSONAL

The Secretary of State then said that another possible course would be the establishment of the National Health Service as a public corporation, either on the lines of the Manpower Services Commission or the Electricity Council Regional Boards. This would require legislation though someone might be appointed to head such an organisation on the announcement of the Government's intentions. This sort of organisation could be presented as a logical extension of the concept of General Manager in that there would be a General Manager for the Service as a whole with a power to manage. Another possibility was to link changes in the management organisation of the Service with some form of compulsory health insurance system.

The Prime Minister replied that her instinctive reaction to this approach was that people would not like the National Health Service being turned into a public corporation. The Government's critics would play on fears that it was a prelude to privatisation and charging. Nor did the 1986/87 legislative programme allow for legislation on the scale required. NHS employees would no doubt react against yet another reorganisation. She wondered whether the advantages of this approach might be secured without legislation. The Secretary of State was somewhat doubtful.

Summing up the discussion, the Prime Minister said that the Secretary of State should provide her with a short list of candidates proposed as Chairman of the NHS Management Board. He should also provide a note on the changes which he would recommend should be made to the management structure of the NHS with and without legislation. Knowledge of this work, should, at this stage, be confined very closely indeed within the Department.

Yours sincerely,

Nigel Wicks

(N.L. WICKS)

Tony Laurance, Esq.,
Department of Health and Social Security.

PRIME MINISTER

NATIONAL HEALTH SERVICE MANAGEMENT BOARD

Because of the "Personal" classification of Sir Robert Armstrong's minute (Flag A), I have not shown it to either Brian Griffiths or David Willetts. But I do know that David would, in particular, be unhappy with the proposal which I understand Ken Stowe is putting to Norman Fowler, and which Sir Robert favours in his minute below, to appoint Mr. Len Peach as Chairman of the NHS Management Board. There is a straight conflict of evidence about Peach. David says that the appointment of Len Peach "would cause NHS morale to plummet still further". But Sir Robert, on, I think, DHSS advice, says Peach is performing well as acting Chairman; Ken Stowe tells me that he has much impressed Management Board members and the Health Service hierarchy.

As you will see from David's note at Flag B, he still hankers after the appointment of Roy Griffiths (or John Banham), but I understand from DHSS that they are no longer considering him. (There is a particular difficulty about Griffiths, which I can mention to you orally if you wished to pursue his name).

David's note (which Norman Fowler has seen) advocates a more managerial "Director-General" role for the Chairman of the Management Board, giving him quasi-executive power over regional managers who in turn would be given power over district managers. I can see a good case on managerial grounds for such changes, which would move the NHS towards a public corporation model. But I really wonder whether the politics point that way, especially in the second half of a Parliament. The point at 'X' in David's page 3 is a case in point. He suggests that a "bigger" Chairman of the Management Board should have a more public role - if a hospital has to be closed, he should be sent to the spot to handle the press and take the flack away from the Ministers. I cannot see that working politically. Local MPs and Councillors will not want to talk to the Management Board Chairman. They will want to

go straight to the Minister. None of this is to decry the force of David's arguments. From the managerial point of view, they look sensible. But they look to me to be more the stuff for consideration for a manifesto than for action now.

This still leaves a problem of finding a new Chairman for the NHS Management Board. Unless you want to rule out ab initio Peach, I suggest that you let Mr. Fowler put his name forward to you. You might then have a discussion with him just to confirm Peach is the right man. But, if you are convinced now that Peach should be ruled out, it would be best to tell Mr. Fowler straight away.

How would you like to proceed?

I must have a

further discussion with

Norman Fowler.

N.L.W.

N. L. Wicks

4 July 1986

DG2BER

Ref. A086/1957

MR WICKS

National Health Service Management Board

I undertook to bring you up to date with developments on the Chairmanship of the National Health Service Management Board (NHSMB) since the resignation of Mr Victor Paige and the decision to appoint Mr Len Peach (Personnel Director) as acting Chairman.

2. I understand that the Secretary of State has been continuing to explore the possibility of finding a basis on which Sir Roy Griffiths might take on the Chairmanship. My impression, however, is that that exploration is leading nowhere. Apart from any other considerations which Sir Roy Griffiths might have in mind, he would only want to take the Chairmanship on if it were possible to run the NHSMB (and the NHS) very much as if it were a statutory public corporation, and with a high degree of autonomy. That does not seem to be realistic, so long as Ministers, and in particular the Secretary of State, have the responsibility of the inevitable accountability to the House of Commons. At any rate, my impression is that the Secretary of State has now concluded that the solution to the problem does not lie in that direction.

3. The second possibility that has been considered is that the Chief Medical Officer, Sir Donald Acheson, should be appointed Chairman of the NHSMB as well as Chief Medical Officer. I do not believe that it is a good idea to ask the Government's chief professional medical officer also to run the NHS Management Board: the requirements of the two jobs could too easily be seen as - and would probably be - conflicting. Sir Donald Acheson is proving to be a very good Chief Medical Officer, and

it would be a pity to put at risk the standing he has achieved in that capacity. Finally I am told that Sir Donald Acheson does not really want to become the Chairman of the NHSMB.

4. The third possibility is to go out and try to find another suitable person from outside. That would inevitably take quite a lot of time, with no guarantee that we should find it any easier to identify a suitable candidate than it was last time round. Unless we were very clear about the nature of the job, we should run the risk of repeating the problems that arose with Mr Paige. This course does not guarantee either the right solution or a reasonably quick one.

5. The fourth possibility is to appoint Mr Len Peach as definitive Chairman, not just as acting Chairman. He has made it clear that he would be willing to accept such an appointment or revert to being Personnel Director. What he does not want to do is continue indefinitely as acting Chairman. There would be no problem with IBM about continuing the secondment if he were to be appointed Chairman.

6. I understand that Mr Peach has been performing well as acting Chairman. He is clear about the role of the NHSMB and of its Chairman, and willing and able to discharge that role. He is an effective manager of business. Other members of the Board have come to have respect for him as acting Chairman (as well as in his position as Personnel Director). He has made a very good impression on Health Service managers and authorities.

7. The Prime Minister is discussing with the Secretary of State and others the needs and problems of presenting the Government's achievements on the National Health Service to the wider public. That will not be helped by further uncertainty or political dispute about the Chairmanship of the NHSMB. As one DHSS Minister has said, what the Government now needs as regards the NHSMB is silence. Since Mr Peach is performing admirably in

SASAAO

the role of acting Chairman, I think that there is a great deal to be said for making his appointment as Chairman definitive. And the indications are that that would be well received in the NHS.

8. If that were to be the decision, there would then be the question of timing. I should have thought that the ideal timing for an announcement would be early September, well into the Parliamentary Recess and after the main holiday period. It would be fair to Mr Peach to let him know privately sooner than that of the Government's intention if that is the way in which it is decided to proceed.

RWA

ROBERT ARMSTRONG

4 July 1986

2. Mr Ingham. cc V.W
NLW.
Worth running X
on Wednesday.
N.L.W.
4-7

MR WICKS

4 July 1986

cc Mr Ingham
Mr Norgrove
Mr Flesher
Mr Sherbourne

NHS - DAILY MIRROR

It is a very good idea to take on the 'Mirror' over their NHS campaign. I share your reluctance for HMG to refer the whole issue to the Press Council, but I wonder if the same arguments apply to individual aggrieved health authorities. The District Manager at Bloomsbury, for example, told me that he wanted to refer a wild Mirror story to the Press Council, but I think that the DHSS dissuaded him. The risk is, of course, that the stories which aren't referred get extra legitimacy. But that risk might be worth running.

X

David Willetts
DAVID WILLETTS

Prime Minister

The manuscript marks are your own. They date from a discussion of flaws in the management structure in June 1984!

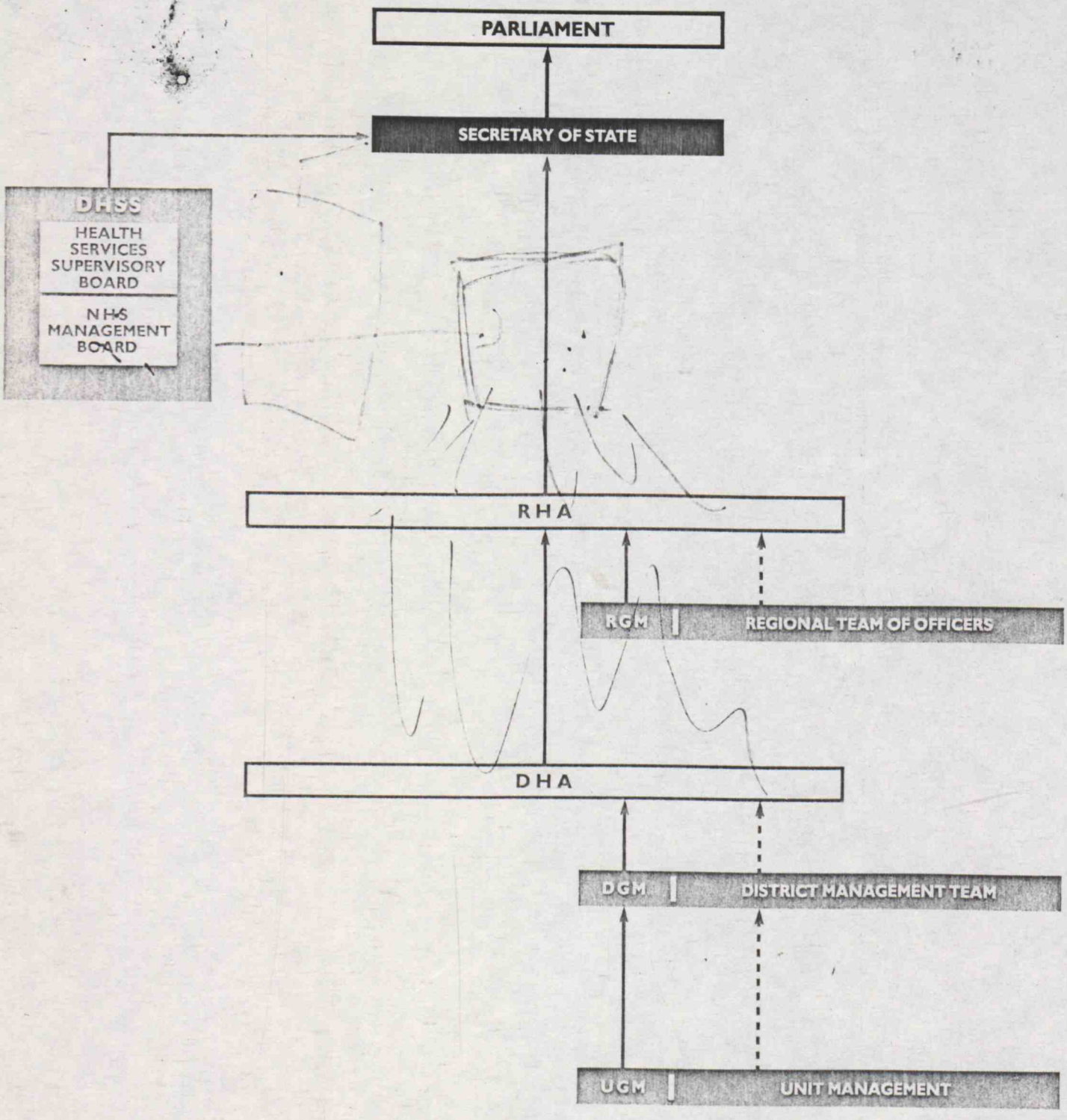
David Willetts

3/7/86.

Health Authority Management – The Future

This is a simplified representation of the key future management relationships in Health Authorities and DHSS, how they link to each other, to the Secretary of State for Social Services and to Parliament.

These management developments will all take place within the existing accountability arrangements and statutory framework.



SECRET

2.

PRIME MINISTER

3 July 1986

NHS MANAGEMENT

I attach a note I prepared for Norman Fowler after Victor Paige's resignation. Mr Fowler does not agree with all of it, and obviously knows more of the inside story than I do. Nevertheless, I stand by the basic analysis.

The bush telegraph has it that two favoured candidates are now Len Peach and Donald Acheson. Either appointment would cause NHS morale to plummet still further. Len Peach is a very good personnel man who wants to solve every problem by improving staff morale and by paying them more. That is important in the NHS, but it is not the whole story. Donald Acheson, the Chief Medical Officer, has devoted most of his energies to the AIDS crisis. But he is also the medical profession's shop steward at Alexander Fleming House. He is not a manager.

I do not know what the position is with regard to Roy Griffiths, who has always seemed to me to be the best man for the job. If he is ruled out in any capacity, John Banham might be another candidate to consider.

Is it still impossible for you to meet Roy Griffiths (with Norman Fowler) to talk about NHS management and the implementation of Griffiths' own Report?

David Willetts

DAVID WILLETTS

SECRET

P10

CCBG

SECRETARY OF STATE FOR SCOTLAND

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

DN.

cc BL (both letters)

The Rt Hon Norman Fowler MP
Secretary of State for Social Services
Department of Health & Social Security
Alexander Fleming House
Elephant & Castle
LONDON
SE1 6BY

1. NW to note for premature
2. NBPT

July 1986

Dear Norman,

ATTACHED

Thank you for sending me copies of your letters of 21 June to Willie Whitelaw and Nick Edwards about your consultation meetings, especially those in early July, and your proposals for publicity about them. I am grateful to you for taking into account my officials' comments on the draft press release.

You and other colleagues may wish to know that our present thoughts in Scotland are to have a fairly large consultation meeting in Edinburgh in the autumn to cover all sectors of interest in primary care, including consumer representation: this will probably be followed up by a smaller meeting in a rural area.

I was interested to see your proposed advertisement encouraging people to apply for a copy of the leaflet summarising the contents of the discussion document. We have encouraged Health Boards to make this leaflet widely available in NHS and other premises to which the public have access; we shall not be undertaking a separate advertising campaign along the lines you have in mind. Could I ask, however, that when the DHSS advertisement is placed in newspapers etc, it is not placed in newspapers which are Scottish-based - as distinct from those with a significant sized Scottish circulation - since the English address to which to apply for the leaflet could be confusing to Scottish readers. The leaflet is, of course, a UK document and does include a Scottish Home and Health Department address to which comments may be sent.

Thank you for the invitation to attend your July meetings at the Elephant and Castle about proposals for family doctors. I see from the draft press release that proposed dates are 14 and 21 July. I am afraid that neither John MacKay nor I will be able to come. I should, however, like SHHD officials to be present as observers and I am sure that this will not cause you any difficulty.

I am copying this letter to Willie Whitelaw, Nick Edwards and Tom King and also sending a copy to the Press Secretary at No. 10.

Yours ever,

Malcolm

MALCOLM RIFKIND

FILE

DA

MR. INGHAM

cc Mr. Norgrove
Mr. Flesher
Mr. Sherbourne
Mr. Willetts

NHS - DAILY MIRROR

Thank you for your minute of 2 July about the Daily Mirror's campaign concerning the allegedly heart rending effects of NHS cuts.

I am sure that your suggestion for a series of Questions tabled by one MP is good, especially if you can get a rival newspaper to take this up. But I am a bit doubtful whether HMG should refer this matter to the Press Council. Why?

First, the principle of using the Press Council in this way seems to me a bit dubious. We certainly wouldn't want the Opposition referring Government statements to the Press Council.

Second, just suppose the Mirror managed to convince the Press Council, which is after all only composed of fallible men and women, that there was some truth in at least one of their 12 stories. The Mirror would make a great story of this. Remember too that the Mirror have a source of advice on tap which is well acquainted with DHSS press matters.

So all in all, I would keep the Press Council out of this. An extra possibility, which might get some publicity in other newspapers besides the Sun (or the paper chosen for the killer job) would be for Government backbenchers to table an Early Day Motion drawing attention to the Mirror's campaign of misinformation. You might then get that picked up in e.g. the Express and the Telegraph.

I think it worth tabling a note on these matters for next Wednesday's meeting on NHS presentation so that the Ministers present can take a specific decision on how to react to this defamatory campaign.

(N.L. WICKS)

3 July 1986

DCABHU

cc: Mr Norgrove)
Mr Flesher)
Mr Sherbourne) Without cuttings

bc willetts

MR WICKS

NHS - DAILY MIRROR

Opposite is a set of 25-30 recent examples, going back only to March, of the Daily Mirror's campaign about the allegedly heart rending effect of NHS cuts.

The DHSS has been trying to do something about it. But since the Mirror does not respond to their prompting, the Government should now use other methods to expose the Mirror as a fraud (since we know some of the stories at least have no foundation in fact).

What I have in mind is a long series of questions tabled by one MP which asks this kind of "formula" question:

> "Will the Secretary of State for Health and Social Security establish the facts in the case of ..... reported to be the victim of NHS cuts in the Daily Mirror of....., and make a statement?"

All these questions should be tabled on the same day, and should be answered together 24 hours later.

If we are to have the necessary effect the answer to each question should follow the same formula:

> "The Daily Mirror story of..... has no foundation in fact."

We should so frame the questions to enable exactly the same "killing" answer to be given in each case.

In the 24 hours elapsing between Questions and Answers we should set up the Sun to do a killer job on "The Lying Mirror".

And the MP who tabled the original questions should immediately follow up the original questions with this:

> "Will the Secretary of State for Health and Social Security refer the following examples of Daily Mirror stories about NHS cuts which have no basis in fact to the Press Council?"

I think the answer should be: "I have done so today."

BERNARD INGHAM
2 July 1986

DAILY Mirror

Thursday, July 3, 1986 FORWARD WITH BRITAIN * 18p

HOSPITAL MAKES PATIENTS SLEEP IN THE CORRIDOR

Cash cuts blamed for 'months of suffering'

By JILL PALMER

PATIENTS are being forced to sleep in a corridor in one of Britain's top hospitals.

Wards are so overcrowded at London's Maudsley Hospital that staff have squeezed extra beds in a passage next to toilets.

But because of Government health cuts there is no money to improve conditions. Instead many of the hospital's vital units may have to close.

Yesterday leading consultants at the Maudsley—Britain's top psychiatric hospital—slammed the conditions as "Dickensian and diabolical."

Senior Professor Gerald Russell said: "Patients are suffering by living in cramped and uncomfortable conditions which are

EXCLUSIVE

hampering their treatment.

"But the Government doesn't seem to care. All we are told is to cut back."

The Maudsley, in Camberwell, South London, treats more than 8,500 new patients every year and trains most of the nation's psychiatrists.

But because of health cuts it is forced to save £400,000 and may have to close its alcoholic inpatient unit, drug dependency clinic, and mentally handicapped children's ward.

Attack

The hospital also houses the country's largest anorexia unit—but Professor Russell pays for a dietician out of his private research funds because the health service can't afford one.

He said: "This erosion in funding is a devastating attack on the core of British psychiatry and on the future care of a vulnerable sector of the community.

"The Government insists mental health is a priority area and services should be improved.

"But in reality we are having to decide where to cut back.

"We've bcome the Cinderella of the Health Service. Patients are spending months in these diabolical conditions and

DAILY Mirror

Sick father must wait 14 months for vital op

HAVE A HEART!

'I'll probably be dead by that time'

By JILL PALMER

AN invalid who has had five heart attacks in the last year must wait 14 months for life-saving surgery.

Yesterday, desperate father of two Sid Cockburn appealed for the chance of a healthy life and said:

"I'll probably be dead by the time my turn comes round. My doctor has told me my next attack could be my last. It's costing the health service a lot of money to treat my attacks in hospital. It would be cheaper to give me the operation."

EXCLUSIVE

Mr. Cockburn, 53, of Benwell, near Newcastle, needs a triple heart by-pass. He was sent to Newcastle's Freeman Hospital where all heart surgery in the North East is carried out.

But the hospital only has funds to carry out 600 by-pass operations a year

Surgeon Arthur Hedley Brown said: "There are a possible 6,000 people every year in the North East who need by-pass operations.

"If everyone suitable for surgery came to the hospital there would be a 14-year waiting list.

FAX.

F.A.O. Ms M Smith

1508 ET. 25 JUN 1986

DAILY Mirror

Di's ward closed 23

A 28-BED orthapaedic ward, which Princess Diana opened at Lincoln County Hospital less than a year ago, has been closed because of cash cuts.

Ms Smith.

I would be most grateful for advice on the above (in particular its truthfulness!).

M Fisher

DG16 AFH x 6883.

25/6/86.

3/15

DON'T BLAME US, SAY DESPERATE DOCTORS

Angry medics take out ad over cash cuts

DOCTORS who have been ordered to save cash by treating fewer patients have taken out a newspaper advert attacking the cuts.

By JILL PALMER

The advert, paid for by the 40 consultants, says: "We apologise for increasing delays in clinic appointments and hospital admissions." The doctors add that these are due to cuts imposed by the local health authority against their advice.

Only a week ago former Prime Minister Edward Heath attacked the Government over the crisis at the hospital — Queen Mary's at Sidcup, Kent. Wards and an operating theatre are being closed, the numbers of operations reduced by 20 per cent and outpatients' clinics cut.

The hospital hopes to save £750,000.

Surgeon Jeremy Wilson said: "We have been told we are working too hard and that costs money. We have now been instructed to work less. Patients will suffer just to save money. Waiting lists will get longer and longer and fewer people will be treated.

Proud

"We took out this advert because we wanted to let our patients know how we feel."

Tony Hare, general manager of Bexley Health District, said: "We are very proud of our record at Mary's in terms of patient care, but we had to rationalise services to keep within our budget limits.

"We must live within our means.

27 JUN 1986

DAILY MIRROR, Thursday, Jun

SLOW DOWN, DOCS!

Speedy surgeons' ops are costing too much

SURGEONS are being warned to slow down because their work rate is costing their bosses too much money.

They have performed so many extra operations in the past year that they have helped to create a cash crisis for Newcastle upon Tyne's health authority.

Sixty extra heart pacemaker operations have added £83,000 to costs.

Eye lens replacements have more than doubled —adding £34,000 to the bill.

Increases in wages, overheads and the cost of drugs and surgical hardware have forced hospital chiefs even further into a serious financial crisis.

Now they are scrutinising all clinical services to see where cutbacks can be made.

By CLIVE CRICKMER

All departments will be told to keep operations within the bounds of their budgets.

But pacemaker inserts, eye surgery and hip replacements are likely to be hit first — and hardest.

The city's health administrative head, Bernard Canning, said yesterday: "The hard fact is that surgical activity has increased in some areas to an extent that we can no longer afford.

"It means that surgeons may have to be told to hold back on the number of operations they perform."

Borrowing

The regional health authority, alarmed by the surgeon's "overproductivity," has allowed the city's hospitals to borrow £400,000 from next year's allowance to help them out.

But the loan is regarded only as a stop-gap measure by the harrassed medical bosses, who have already ordered a children's hospital and wards in other city hospitals to be closed to cut costs.

They are also considering charging other health authorities for the many patients from outside Newcastle who benefit from its specialist facilities.

25 JUN 1986

S 23

Brave Jane, 14, helps out after cuts halt new 'cure'

CANCER GIRL RAISES £1,500 FOR HOSPITAL

A BRAVE young cancer patient has raised £1,500 so that a hard-up hospital can afford to treat other children like her.

Two school friends helped Jane Anderson collect the cash for the children's cancer unit at London's St Bartholomew's Hospital.

The hospital has developed a new treatment which gives hope to many young cancer patients. But because of Health Service cash cuts the treatment can't be given.

EXCLUSIVE

By JILL PALMER

Now doctors have launched their own fund—helped with cash from people like 14-year-old Jane. Jane had a leg removed and was a patient at Bart's for seven months after doctors diagnosed bone cancer.

Now she is back at New Hall school near Chelmsford, Essex.

"I'm not going to let my illness ruin my life," she said.

15

3/22

19 JUN 1986

DAILY Mirror

TRAGEDY THAT WON'T GO AWAY

P.S. 9

I AM still revovering from the terrific blast I got from St Johns Mental Hospital, Lincoln, after my article last March on suicides there.

On all sides I was told there was obsolutely no connection between the suicides and the new policy of emptying the hospital of patients, and 'returning' them 'to the community.'

I thought you might like to be kept up to date.

Last month, Irene Longmore, a patient at St Johns, set fire to the curtains.

She is on the list for the next batch of patients to be 'returned to the community.'

Hanged

On June 9, Janet Denford set her nightdress on fire. She has serious injuries.

Hospital administrator Nick Pennell said: "Suicide as a motive can most definitely be ruled out."

Last week Graham Procter hanged himself in his home soon after being discharged from St Johns. At his inquest, Lincoln coroner John Phillips said: "Mr Procter took his own life after being reluctant to leave the hospital."

3/22

19 JUN 1986

DAILY MIRROR, Thursday, June 19, 1986

CRUMBS! BISCUIT FIRM TO RESCUE 16

SICK children can have their chocolate biscuits treat after all—thanks to the Daily Mirror and a food firm.

HOSPITAL AXES KIDS' CHOC BISCUITS

SHOCKER: The Mirror story that brought action.

Bosses at United Biscuits learned from yesterday's Mirror that youngsters at London's Maudsley Hospital were being rationed to plain biscuits to save money. They immediately pledged a gift of McVitie's Chocolate Homewheat. "We couldn't see these children go without their chocolate biscuits so we are sending them two caseloads," said a company spokesman.

The catering cutbacks at the Maudsley, Britain's leading psychiatric hospital, mean less jam in sandwiches and only half the amount of tomato sauce with meals.

EXCLUSIVE

By JILL PALMER

The cost-cutting has been condemned by the hospital's junior doctors and by Labour Shadow Health Minister Frank Dobson.

ATTACK: Mr Dobson

Yesterday staff welcomed the biscuit firm's offer of help.

Dr Simon Wessely said: "This is very generous. Food economies may seem a small item, but cuts like these reduce morale."

The Maudsley could be £400,000 in the red this year and is threatened with a series of cuts.

Mr Dobson reckoned the economies on children's food would save only about £10 a week.

8

3/8

DAILY MIRROR, Wednesday, Jun

HOSPITAL AXES KIDS' CHOC BISCUITS

By JILL PALMER

SICK children have lost their chocolate biscuits treat because of a hospital cost-cutting order.

From now on it's plain biscuits only for the kids at London's Maudsley Hospital. Less jam is being put in their sandwiches. And the amount of tomato sauce at mealtimes is being cut by half.

Maudsley is a top teaching hospital housing Britain's leading psychiatric unit.

The cost-cutting brought an angry reaction.

A junior doctor said: "The staff on the children's ward were told to ration food. Jam and tomato sauce have been cut by half. The nurses were told simply to spread the jam more thinly.

"They are all too frightened to talk about it in case their jobs are put at risk."

Shock

Labour's Shadow Health Minister Frank Dobson said: "I couldn't believe it when I was told that the hospital was cutting back on children's food.

"How much can it save? Not more than £10 a week at most."

Junior doctors' leader Louis Appleby called the catering cuts "the last straw".

Hospital spokesman Miss Vivien Newing said savings **WERE** being sought. But she insisted: "Nothing has so far been agreed on jam, biscuits, or any other food."

18 JUN 1986

Surgeons ready—but there aren't enough nurses

BROKE HOSPITAL AXES HEART KIDS' OPS

HEART BOY Michael Picture DOREEN SPOONER

SICK CHILDREN due to have life-saving heart surgery at a top hospital have had their vital operations cancelled because it has run out of cash.

All young patients—even emergency cases—are being turned away.

The tragic decision has been taken at world-famous Guy's Hospital in London because it cannot afford enough nurses to care for them.

EXCLUSIVE

One of the victims is two-year-old Michael Williams, who has a hole in his heart.

He had "patch-up" surgery at four months old, and the full operation which would give him a normal life was due two weeks ago.

But the night before, his mother Maria got a sudden call at home in Ilford, Essex, saying the operation was off.

She said yesterday: "The doctors can't give me any idea when it will be done. Meanwhile, I have to watch my son deteriorate. It is very frightening."

Michael is just one of eight children who have had their urgent operations scrapped.

They include a one-year-old with two holes in his heart, a four-year-old with abnormal heart valves and an 18-month-old with severe heart obstructions.

The tragedy is that the operations CAN be done, but there are only enough nurses to man two of the hospital's four children's post-op intensive care beds—and those two are already filled

The other two have never been used because of cash problems.

Guy's surgeon Mr Alan Yates said: "Operating theatres are lying empty and surgeons and anaesthetists are sitting around doing nothing. It is disgraceful.

13 JUN 1986

3/16

12 JUN 1986

DAILY Mirror

PATIENTS DIE AS OPS ARE SLASHED

Exclusive 16

By JILL PALMER

HEART patients are being turned away to die by a hospital because of Government cash cuts.

Consultants at St. Thomas's in London have been ordered by the health authority to slash heart operations by 25 per cent to only 300 a year.

Special investigations vital in diagnosing heart problems have been restricted to 750 a year—a reduction of 200.

It means desperately ill patients are being forced to wait more than a year for surgery—and some die before they get to the operating theatre.

Top heart specialist Dr. Michael Webb-Peploe said yesterday: "Some of my patients have had heart attacks and died waiting for surgery.

"We are having to cancel admissions every day.

Disgrace

"These restrictions are purely to save money. It is disgraceful."

The situation will get even worse in August when all routine admissions will be cancelled, up to nine wards closed and all non-emergency operations halted for a month, with 1,000 patients turned away.

The Government hopes this will save £120,000.

Dr. Webb-Peploe said: "We are in the business of saving lives, not money."

3

2|3

-9 JUN 1986

DAILY Mirror

MUM DIES WAITING FOR HER HEART OP

14

EXCLUSIVE by ROD CHAYTOR

A WOMAN heart patient has died because her family couldn't afford the price of a life saving operation.

The family say they were told private surgery would cost £20,000. They couldn't raise the money—so Ruby Guest went on a Health Service waiting list.

Six months later she had another attack and was rushed to a Birmingham hospital.

Doctors there spent 24 hours phoning other hospitals in a desperate effort to get her an operation. But 66-year-old Ruby died as an ambulance arrived.

Tragedy

Her husband John, 72, of Barnet Road, Erdington, said: "The doctor was ringing round and round but he could not get a bed. He was very angry.

"There was nothing I could do to save my wife."

The family are now asking their MP to take up the case.

Health Authority chairman James Ackers said: "Waiting lists do lead to difficulties in some cases. I will not use the word tragedies."

Ruby's daughter Janet said: "How dare he say anything so heartless.

"My mother's death is a tragedy to us and the National Health Service couldn't save her life."

9

217

7 JUN 1986

DAILY Mirror

'HAVE MY BED' SAYS OP WIFE

UNION boss's wife Catherine Guy gave up her hospital bed to a woman who had been left in agony for five hours in a hospital corridor.

Despite being told to stay in Cardiff University Hospital for another week following a hysterectomy, Mrs Guy, 49, said: "She obviously needed the bed more than I did so I told staff I was going home."

Mrs Guy's husband Doug, is the engineering union's district secretary.

She had already been moved five times in five days because of a ward closure at the hospital.

This had resulted in a bed crisis.

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31 MAY 1986

DAILY Mirror 9

DOCTOR BEGS FOR £9,500 TO SAVE A BABY'S LIFE

A DESPERATE doctor made a dramatic plea last night for £9,500 to save a young baby's life.

Without special drugs the 11-month-old girl will die within days.

But because of Government cuts the hospital which is treating her can't afford to buy them.

The baby, from Leeds, was admitted to London's Westminster Children's Hospital ten days ago.

It has the world's only specialist unit for treatment and research into the B12 vitamin deficiency from which she is suffering.

Dr Ray Bhatt said: "The child has suddenly become very sick, she is in real trouble.

EXCLUSIVE

By JILL PALMER

"We need special chemicals and enzymes so that we can do diagnostic tests and treat her immediately. We must have them in three or four days. Without them the child will die.

"But they are not the sort of thing the NHS can consider buying."

Labour's shadow health spokesman Frank Dobson said: "I am speechless. A doctor shouldn't have to appeal for money like this."

★ **IF YOU** would like to make a donation please send it to Dr Bhatt at the Westminster Children's Hospital, Vincent Square, London, SW1.

DAILY Mirror

NURSES MAKE CURTAINS FOR HARD-UP HOSPITAL

And doctors fork out for kids' ward

By JILL PALMER

EXCLUSIVE

DOCTORS and nurses at a hard-up hospital have clubbed together to brighten up a dingy children's ward.

THE NURSES spent their spare time making curtains to go around the children's beds.

THE DOCTORS bought the material and paid to have the ward decorated.

Health Service cuts meant London's famous Middlesex Hospital didn't have the cash to decorate the ward before children moved in for the first time last month.

It was formerly used for adult medical patients and was last decorated 10 years ago.

"The ward was grimy and dingy and not at all suitable for sick children," said a top consultant who personally spent £1,000 on the redecoration. "There were no curtains round the beds.

"We were told that the NHS didn't have enough funds to buy new curtains or repaint the place, so we all stepped in to do our bit.

"The ward now looks very bright and cheerful."

This is the latest cash crisis to hit the major teaching hospital.

Children's beds have been cut from 22 to 14 in a bid to save money.

Four wards are permanently closed. Seventy patients are turned away every month.

30 MAY 1986

DAILY Mirror

19 MAY 1986

Casualty doctors too busy to see injured youngster

SIX-HOUR AGONY OF HOSPITAL GIRL, 4

Mum forced to take taxi in hunt for help

A four-year-old girl in pain was told she would have to wait six hours in a hospital's crowded casualty department before a doctor could see her.

EXCLUSIVE

By JILL PALMER

Louise Warren and her mother Gerri had already been turned away from Edgware general hospital the day before because of the long queue.

Finally, distressed Mrs Warren was forced to walk out and take her daughter to another hospital by taxi.

The Royal Orthopaedic Hospital, a few miles away in Stanmore, Middx., admitted Louise immediately and she spent the next eight days in traction with an injured hip.

Louise had hurt her leg in a fall at playschool. Mrs Warren took her to Edgware hsopital, near their home, and was advised to return the next day because of the long wait.

When they went back they waited two hours and then a doctor told them they'd have to wait at least another four hours.

"The doctors and nurses were so overworked and were rushing around trying to cope with all the patients," she said. "It was impossible.

Upset

"I couldn't force a four-year-old to sit in a casualty waiting room for six hours so I had to take her elsewhere.

"I was very upset and so were many of the other patients.

A spokesman for Edgeware hospital said: "The department was busy with about 20 patients waiting on that day."

WAITING: Louise with her mother. Picture: JOHN SHENTON

17 MAY 1986

DAILY Mirror 9

No luck for heart op man

By JILL PALMER

A HEART patient urged to write to his MP when his life-saving operation was put off indefinitley is certain it will do no good...

For Harry Davies's MP is junior Health Minister Ray Whitney, who denies there is a crisis in the hospitals.

"It would be a total waste of time putting pen to paper to write to him," said Mr Davies, 53.

Mr Davies, from High Wycombe, Bucks, is one of many patients on the waiting list for urgent by-pass surgery at Hammersmith Hospital, West London.

Shocked

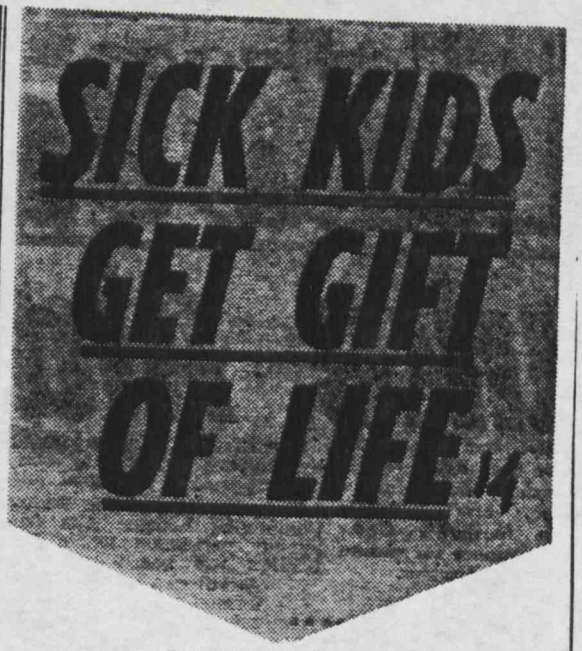
As revealed exclusively in the Daily Mirror on Thursday, they have all been told by heart consultant surgeon Ralph Sapsford that their operations have been put off because the hospital cannot afford the intensive aftercare.

He told them it was no longer possible to give any idea of when their operation would be and suggested they write to their MP.

16 MAY 1986

DAILY Mirror

SICK KIDS GET GIFT OF LIFE



By JILL PALMER

A GRATEFUL farmer has stepped in to help a hard-up hospital save children's lives.

Peter Maguire, whose doughter is a patient at Addenbrooke's hospital in Cambridge, has raised the cash for a new life-support machine.

Two days ago the Mirror revealed a cash-cuts scandal at the world famous hospital.

The only life support machine suitable for children in the operating theatre was so old it was held together with sticky tape.

It broke down in the middle of major surgery.

EXCLUSIVE

Donations

Peter, whose five-year-old daughter Julie has a liver disease, said yesterday:

"One day it could be Julie that needs this equipment. It could be life or death for her.

"I know hospitals shouldn't depend on charity but if the Government won't pay there is little alternative."

The £6,500 Peter raised for the life-support machine is the latest in an amazing list of donations for vital equipment.

He started raising cash two years ago when Julie, who will soon need a liver transplant, first became a patient.

He has raised nearly £150,000 from sponsored walks, jumble sales, raffles, and charity auctions.

Peter said at his home in Gosport, Hants: "It started as my way of saying thank you for giving Julie hope."

5

DAILY Mirror

Patient warned of agonising wait after vital surgery is axed

DYING HEART MAN "TOLD: SHOP AROUND FOR AN OP

Health cut hospital can't afford care

A DYING heart patient has been urged to shop around for treatment after a vital operation was put off indefinitely because of health cuts.

Peter Fowles, a 47-year-old porter was told that his hospital couldn't afford the necessary intensive aftercare.

Yesterday, shocked and distressed, he said: "Am I going to have to wait until I'm in my coffin before I get treatment?

"I need this operation to live. Now I face shopping round to see where I can get it done."

Wait

Mr Fowles, from Edgware, Middx, is on the urgent waiting list for by-pass surgery at Hammersmith Hospital, West London.

He suffers from angina and his condition has rapidly worsened in the last few months.

Now heart consultant Ralph Sapsford has told him in a letter:

"The situation at Hammersmith has deteriorated to the point where we can hardly maintain an emergency service.

EXCLUSIVE

by JILL PALMER

"This is largely due to a totally inadequate provision of intensive care beds.

"It is no longer possible to give you any idea of when your operation might be."

He suggested Mr Fowles try and find treatment elsewhere "although all cardiology units have a long waiting list."

Mr Fowles, who has two young children, said: "I am constantly in pain, I can't work and I can't go out because I can't climb the stairs to my flat.

"I was prepared to wait a few months, even though I was told the operation was urgent, but this has disgusted me.

"I'm not blaming the hospital, I've seen first-hand how the Health Service has deteriorated because of cuts."

CALL: Kinnock

'SPEND ON NHS' PLEA

LABOUR leader Neil Kinnock demanded more Government cash for the Health Service yesterday.

In a letter to Mrs Thatcher, he rejected her claim that resources are being switched from London to benefit the regions.

He said: "The NHS needs to increse in real terms by at least two per cen t each year if it is to meet the additional demands palced upon it."

15 MAY 1986

14 MAY 1986

DAILY Mirror

HOW the Mirror has covered the crisis

IN the middle of a vital operation on a desperately sick child a hospital's life support machine broke down.

As surgeons and anaesthetists battled to keep the child breathing, staff raced from the operating theatre to borrow another machine.

Thankfully, a spare ventilator was found in the intensive care unit. The child's life was saved.

All this happened at Addenbrookes, a huge, modern hospital in Cambridge.

It has 900 beds, but only one life support machine suitable for children in the operating theatre.

And that machine—which takes over the task of breathing for the chronically ill—is eight years old and held together with sticky tape.

This shocking story is yet another example of the effect Government cash cuts are having on the health service.

Hospitals all over the country are reeling from the current squeeze on spending.

Yet you'd never know this listening to junior health minister Ray Whitney.

He denies there is any crisis in the NHS and has accused the Daily Mirror of running "a fantastically inaccurate campaign."

Blame

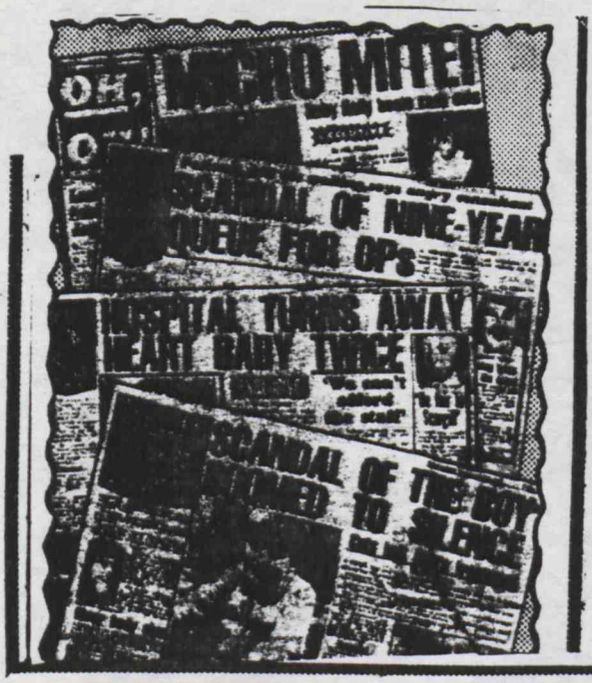
He ignores the facts that hardly a week goes by without wards being closed, operations being cancelled, and patients being turned away.

Mr Whitney claims that "the real problem with the health service is being caused by morale which is being damaged by people like the Daily Mirror."

Would he blame us for the problem at Addenbrookes?

The hospital's children's unit there is desperately short of funds for life-saving equipment.

THE DAILY MIRROR, APRIL 7



6

Yet ANOTHER health scandal

—but who's listening?

by JILL PALMER

Doctors have to depend on charity for much of their vital machinery.

Surgeons carry out at least 25 children's operations every day.

The ventilator is vital in half of them including open-heart surgery and liver and kidney transplants.

But the hospital can't afford the £6,500 to buy a new one.

"We have managed to stagger on using this old ventilator but the situation is now desperate.

"We urgently need a new one but are extremely short of money and just can't afford it," said consultant anaesthetist Dr John Farman.

"We cannot depend on this machine any more. It is too much of a risk to use it during operations when it could break down at any moment.

Grim

"Eventually there will be a crisis like that again and another machine won't be available."

Can Mr Whitney deny that this and other hospital horror stories in our campaign show the NHS has reached crisis point?

- A seven-month-old baby needing heart surgery was turned away from Guy's in London twice because the hospital couldn't afford the nurses to care for her.
- Patients at Frimley Park hospital in Surrey have to wait NINE years for some routine surgery.
- A mum in premature labour has to wait five hours and travel 70 miles to find a hospital bed.

Can Mr Whitney deny that these stories in the last *two weeks* show that the health service isn't being properly funded or provided for in the community?

Yesterday eleven London consultants warned that their patients are being put in peril because of cash cutbacks.

"It is no exaggeration to say that the care of the sick is now being jeopardised in our hospitals," said protest leader Dr Richard Thompson.

"There is a serious deterioration of the hospital service and patients are suffering.

"The health service is underfunded and we must have more money otherwise the future looks grim."

Would Mr Whitney claim these doctors' fears are inaccurate?

Saving lives costs money but saving money costs lives.

'The care of the sick is now being jeopardised'

RAY WHITNEY
Denials

DAILY Mirror

Chaos, crisis, confusion

THE rot is eating deeply into this Government. It is running scared. Half the Cabinet doesn't know whether it will be coming or going in the next reshuffle.

And the rush to get out from under is indecent.

MR JOHN BIFFEN goes on TV to voice his doubts about Mrs Thatcher and her future as Prime Minister.

MRS THATCHER retaliates and sends her Press Secretary to talk privately to journalists of her doubts about Mr Biffen.

Defence

Mr Biffen makes it clear he doesn't like Mr Norman Tebbit's manner or Mr Nigel Lawson's policies.

MR PETER WALKER springs to the defence of Mr Tebbit, which will do Mr Tebbit no good at all.

MR LAWSON says Mr Biffen is wrong about Mrs Thatcher. He also says that the Government's policies are a considerable success but it isn't putting them over very well.

MIRROR COMMENT

THATCHER

BIFFEN

TEBBIT

A much sounder argument is that the policies have been put over so well that everybody understands them, which is why the Government is in such a mess today.

MR TEBBIT says that he is too old a dog to be taught new tricks, overlooking the fact that old dogs—and old politicians—occasionally have to be put down.

Mrs Thatcher herself said yesterday that last week's election results were "a shattering rejection" of Labour's policies. That kind of self-delusion seems, in the end, to afflict all Prime Ministers.

One Tory backbencher has called for the return of Cecil Parkinson. Nothing could be more desperate than that.

The Government may still boast of its achievements. Nobody believes it any more.

Falling

It says it is spending record sums on the Health Service. But read Page 6 today. A world-famous hospital in Cambridge has a life-support machine held together by sticky tape because it can't afford £6,500 to buy a new one.

We have a hospital crisis, a housing crisis, an education crisis and an unemployment crisis. Those are the real achievements of this Government.

Mrs Thatcher knows that. The Cabinet knows that. Most of all, the voters know that. And that is why the Government is falling apart.

14 MAY 1986

DAILY Mirror

8 MAY 1986

WORRIED MUMS RAISE £26,000 FOR HOSPITAL

Cash will help heart children

By JILL PALMER

TWO mothers have raised £26,000 so a hard-up hospital can afford to give their sons vital surgery.

Three-year-olds Nathan Kybett and Jonathan Gordon both needed hole in the heart operations. But they were turned away from London's world famous Guy's Hospital because it couldn't afford enough nurses to care for them.

Their desperate mums decided to help and launched a fund-raising campaign 18 months ago. They organised sponsored walks, bring and buy sales, coffee mornings and raffles.

Yesterday Carol Kybett, of Eastbourne, Sussex, said: "It was the least we could do to help the wonderful staff at the hospital.

Important

"It's disgraceful that they don't have enough money to treat important heart surgery."

The cash will be handed over next week and means Guy's can afford enough nurses to open another intensive care bed for children like Jonathan, who is due to be admitted in two months' time.

Nathan finally had his operation last month after it had been cancelled twice.

5

DAILY Mirror

DAILY MIRROR, Wednesday, May 7, 1986 PAGE 15

HOSPITAL TURNS AWAY HEART BABY TWICE

EXCLUSIVE

By JILL PALMER

A SEVEN-months-old baby needing life-saving heart surgery has been turned away from hospital—TWICE.

The second time was AFTER the baby had been given anaesthetic for a hole-in-the-heart operation.

Her mother was told to take her daughter home because there were not enough nurses to care for her.

Guy's Hospital in London—one of the country's leading children's departments—can only afford staff for two intensive care beds.

Both were occupied each time the little girl was admitted.

Miss Carol Kybett, whose three-year-old son Nathan, was in an adjoining bed said: "Obviously the baby's mother was very distressed."

Children's heart consultant Professor Michael Tynan said: "We have to cancel operations because we cannot fit them into our budget.

There aren't the beds available."

'We can't afford /s the staff'

7 MAY 1986

DAILY Mirror

Patients could die as they wait for operations

CAN YOU COME BACK IN NINE YEARS?

By JILL PALMER

A HORRIFIED doctor told yesterday of a hospital with a NINE-YEAR waiting list for some routine operations.

And he said some patients would die before they reached the top of the list.

Dr Robert Bown, a consultant in the hospital in stockbroker Surrey, said:

"If anyone wants a routine prostate operation the wait is in excess of nine years. They might as well forget it.

"The only chance is if the condition gets so bad they go into kidney failure and are admitted as an emergency.

Worst

"My waiting list just for an appointment to see me is 27 weeks.

"If you need a hip replacement you are likely to die before you get to the top of the waiting list."

Dr Bown, who works at Frimley Park Hospital, added: "It is one of the worst hospitals in the country for treatment and services beacuse of lack of resources.

2 MAY 1986

DAILY Mirror

28 APR 1986

MICRO MITE!

Baby Kelly beats cash cuts

EXCLUSIVE

By JILL PALMER

FOUR-day-old Kelly Mackay is a miniature miracle. She weighs just 1½lb and is winning her fight for life.

But she nearly didn't make it into the world, because of health service cuts.

When Kelly's mother Linda went into labour three months early, the local baby care unit turned her away because they were full.

After a three-hour search, doctors found a hospital to take Linda. But she had to suffer a two-hour ambulance trip to London, 70 miles away.

LINDA: "I was terrified."

Tiny Kelly was born soon after Linda arrived at St George's Hospital, Tooting, following the dash from Selsey, Sussex. She was put in the only spare incubator.

Linda, 27, said: "The nurses told me that if it had been 24 hours later they would not have had any room for Kelly. They had to turn away three premature babies the next day because they were full up."

Terrified

Many premature babies die because health service cash cuts have led to a dramatic shortage of special facilities.

Linda's ordeal was especially nerve-wracking. She has already suffered five miscarriages. Two years ago a baby died in the womb and last year a premature son died within hours of birth.

Linda said: "I was terrified this baby wouldn't survive. It was a very frightening experience."

SAFE: Baby Kelly. Pictures: BRENDAN MONKS.

DAILY Mirror

22 APR 1986

SNAP! BONNY BABIES BAIL OUT HOSPITAL

By PETER KANE

A MATERNITY hospital is to sell photos of its bouncing new babies to help it out of a cash crisis.

Staff at The Rosie Maternity Hospital, Cambridge, will use medical research cameras to take snaps of the newborn babies —and then sell the pictures to doting parents and relatives.

John Ashbourne, Cambridgeshire health authority's chief executive, said yesterday: "We hope to be able to produce a photographic service for the family.

"The snaps are just one of many ideas we have for generating money."

The maternity hospital was opened just 30 months ago—six years ahead of schedule—by TV rental tycoon David Robinson. He put up half the £6million costs on condition it could be finished quickly.

Desperate

But now, along with the nearby Addenbrookes Hospital, it is almost £2million in the red after severe Government cuts.

"We are desperate for cash and are even considering renting out our incinerator to businessmen as well as holding a hospital sweepstake," said Mr Ashbourne.

"Our staff have come up with some really good ideas for bringing in extra money."

Photos to help pay £2m bill

21 APR 1986

DAILY Mirror

RACHEL GETS HELP

A BRAVE little girl who faced life in a wheelchair because of hospital cash cuts can look forward to a brighter future—thanks to the Daily Mirror and a childrens' charity.

Rachel Dance, who has spina bifida, needs regular physiotherapy to keep her walking.

But Frimley Park Hospital, in Surrey, won't be able to keep up the treatment after Rachel reaches her fifth birthday in September.

The Handicapped Children's Aid Committee read about Rachel's plight in the Mirror last week and has arranged for a private physiotherapist to visit her at home in Farnborough, Hampshire, every week.

BRAVE: Rachel

DAILY Mirror

18 APR 1986

Cash cuts threat to cancer children

By JILL PALMER

DESPERATELY ill children needing emergency brain surgery are the latest victims of Health Service cuts.

They face being turned away from Britain's leading psychiatric hospital because of a government purge, it was revealed yesterday.

Dr. Simon Wessley said: "The Government is destroying everything we have built up.

Dr. Wessley was attacking plans to close a major childrens ward at the Maudsley Hospital in South London for two months a year and every weekend — or even to shut it completely.

The ward specialises in treating youngsters with brain cancer

A ward for mentally ill children and an alcoholism unit also face the axe, because the Maudsley is being forced to save £450,000 after overspending last year.

2H

11 APR 1986

Daily Mail

Patients go home 2 too soon'

By JOHN ILLMAN
Medical Correspondent

HOSPITAL patients are being sent home too soon in order to save the Health Service money, a doctor claimed yesterday.

Dr John Ledingham challenged Government statements that more patients were being treated than ever before.

He told the British Medical Association's annual scientific meeting in Oxford that the 'increase' in hospital patients could be re-admissions due to less-efficient care.

He said: 'To re-admit and prematurely discharge the same patient three or four times in a few weeks would look to increase the number of patients treated as well as reduce the length of stay.'

Dr Ledingham, Reader in Medicine at the John Radcliffe Hospital in Oxford, added: 'Another claim that 11,000 new hospital beds opened between 1980 and 1984 does not mention that the total number of hospital beds available dropped by 12,900 in the same period.'

DAILY EXPRESS

28

Top doctor's warning

HOSPITALS are discharging patients too soon after operations simply to save money, according to a leading doctor.

The length of stay in hospital for those aged 15 to 44 was falling rapidly, said Dr John Ledingham.

He asked whether they were previously being kept in bed too long, and added: "More probably the quality of service for them has deteriorated and is continuing to do so.

"And the short length of stay and premature discharge is not only bad medicine.

"Although it is seen by the DHSS as a more efficient use of resources, it has considerable ill-effects on the teaching of medical students."

EXPRESS REPORTER

Claim

Dr Ledingham, president of the Oxford division of the British Medical Association, gave the warning in his opening address to the BMA's scientific meeting in Oxford.

He said the Government was claiming that more patients were being treated and the NHS was being given more money and more staff.

But the counter argument was that Government figures were misleading.

"For instance the claim that the number of in-patients treated increased by 12 per cent between 1978 and 1983 does not indicate what proportion of these were re-admissions for the same patient as opposed to new cases," said Dr Ledingham.

"The increase may be due to less efficient care and consequent readmission.

Dr Ledingham said that while family doctors had never had it so good the hospital service had never had it so bad.

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Morning Star

BMA doctor accuses Tories of making false claims 5

Hospital cost cutting forces patients out

HOSPITAL patients are being discharged prematurely after their operations to save money, a leading doctor warned yesterday.

Oxford physician Dr. John Ledingham said the length of stay in hospitals among people aged 15 to 44 was rapidly falling and the quality of service for them is deteriorating and continuing to do so.

"And the short length of stay and premature discharge of patients is not only bad medicine, it has considerable ill effects on the teaching of medical students although it is seen by the DHSS as more efficient use of resources," he said.

Dr. Ledingham, president of the Oxford division of the British Medical Association, gave the warning in his opening address to the BMA's annual scientific meeting in Oxford.

He said the government was claiming that more patients were being treated and the NHS was being given more money and more staff.

But the counter-argument was that government figures were misleading.

"For instance the claim that the number of in-patients treated increased by 12 per cent between 1978 and 1983 does not indicate what proportion of these were re-admissions for the same patient as opposed to new cases.

"The increases may be due to less efficient care and consequent re-admission. To re-admit and prematurely discharge the same patient three or four times in a few weeks would increase the number of patients treated as well as reduce the length of stay," said Dr. Ledingham.

"Another claim that 11,000 new hospital beds opened between 1980 and 1984 does not mention that the total number of hospital beds available dropped by 12,900 in the same period."

Dr. Ledingham, reader in medicine at the John Radcliffe Hospital, Oxford, said that while family doctors had never had it so good, the hospital service had never had it so bad.

"There is a very real feeling among the doctors and nurses of the hospital service, particularly the teaching service, that things are very bad and that worse is to come," he said.

The most damaging effects of the cuts had been on academic medicine although this was vital for the inspiration of the next generation of doctors.

Some doctors were comparing the role of Social Services Secretary, Norman Fowler, with that of Thomas Cromwell, who helped to restore Henry VIII's finances by closing monasteries.

DAILY Mirror

Hospital scandal of 'quick service'

By JILL PALMER 4

DOCTORS are being forced to send hospital patients home early because of cash cutbacks, it was revealed yesterday.

Consultant John Ledingham said people were being discharged too soon after operations.

He told the British Medical Association: "The quality of service is deteriorating,

"The premature discharge of patients is bad medicine, but it is seen by the Health Department as more efficient use of resources."

Dr Ledingham, who is based at Oxford's John Radcliffe Hospital, warned: "The hospital service has never had it so bad.

"In Oxford it is not far short of desperate."

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DAILY STAR

OPERATION RUSH AT HOSPITALS

HOSPITAL patients are being discharged prematurely after their operations to save money, a leading doctor said yesterday.

Physician John Ledingham, president of the British Medical Association's Oxford division, gave his warning at their annual meeting.

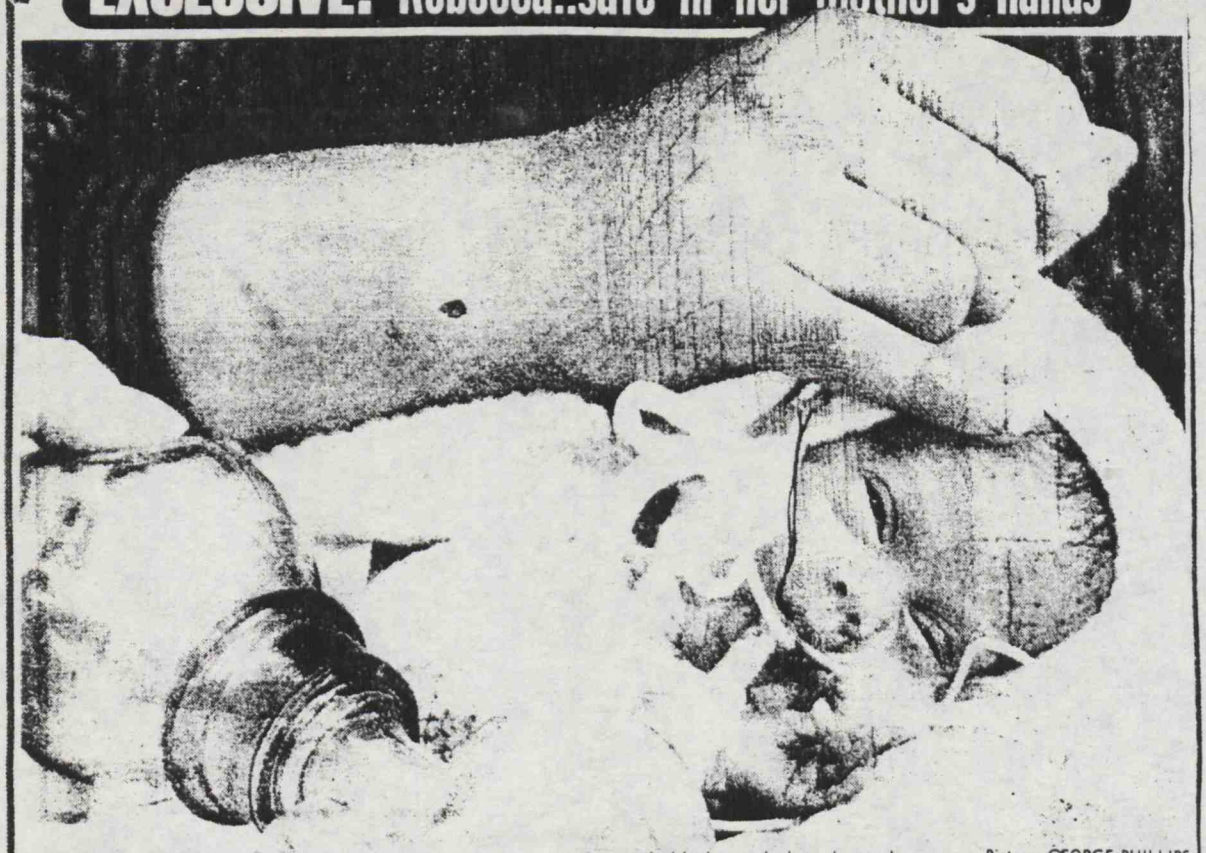
He said the length of stay in hospitals among people aged 15 to 44 was rapidly falling.

"Is this group less ill," he said. "More probably the quality of service for them is deteriorating

Daily Mirror

-7 APR 1986

EXCLUSIVE: Rebecca..safe in her mother's hands



FRAGILE: Rebecca drinks contentedly from a special feeding tube yesterday, soothed by her mother's tender touch. Picture: GEORGE PHILLIPS

FOUR MINUTES OF HEAVEN

SURVIVAL: The Mirror report on Rebecca's birth.

Touching moment.. Karen

By SYDNEY YOUNG

PRECIOUS mite Rebecca McNally rested ever so briefly in her mother's gentle hands yesterday on her perilous path to survival.

For just four blissful minutes Mrs Karen McNally was allowed to hold her 1lb. 12oz. daughter, whose miracle birth captivated millions of Mirror readers.

Then it was time to place her back in the life-supporting incubator provided by charity.

The Mirror told in its special report on the Health Service last month how much of the equipment at Bristol's Special Care Baby Unit has to be paid for by sponsors because of Government cutbacks.

But the harsh world of politics was temporarily forgotten yesterday as Karen and her husband Bill gazed in wonderment at their four months premature baby.

The couple take it in turns to hold Rebecca on their visits to the hospital.

Their daughter is still attached to a ventilator, food tube and cardiac and oxygen monitors.

And because of the tubes and wires surrounding her they have not been able to give her a proper hug.

Rebecca, who weighed just over 1lb at birth on February 20, was too tiny to be touched by untrained hands at first. It was a month before her parents got the chance to hold her.

Bill, 32, a machine operator, said: "It's hard to describe just how having a baby as small as Rebecca on your lap.

"She's so incredibly fragile."

Karen, 25, said: "It makes me very angry when I think the lives of Rebecca and babies like her depend on charity.

"I don't know how Margaret Thatcher can sleep at nights.

Rebecca, described as a "little fighter" by hospital staff, is now progressing steadily.

But she will not be allowed home to her parents in Weston Super Mare before her proper birth date—and that's not until June 11.

DAILY Mirror

- 7 APR 1986

NO BED FOR A MUM HAVING TWINS

Another Mirror exclusive

By JILL PALMER

A MOTHER expecting premature twins had to wait FOUR HOURS while doctors tried to find her a hospital bed.

Kim Elliott was then rushed 40 miles in an ambulance after being turned away by her local hospital, where a baby died recently because of health service cash cuts.

The Mirror campaign

Kim's ordeal began after she went into early labour at her home in Grays, Essex.

Doctors at cash-starved Basildon hospital, ten miles away, said their special baby care unit was full up.

Kim, 26, waited four hours at nearby Orsett Hospital while doctors tried desperately to track down a bed.

They finally found one 40 miles away at Hammersmith Hospital in West London.

It took an ambulance another two hours to get Kim there.

Misery of cash cuts

Afterwards, Kim's father Roy Leyland said: "It's a disgrace.

"My daughter got to hospital at 3p.m.; but it was nearly nine in the evening before she got the proper treatment in a hospital miles away.

"When she got to Hammersmith, they put her on drugs and drips and managed to stop the labour. Now she has to stay there until the

● Turn to Page Two

● From Page One

babies are born. She is very distressed."

On Saturday the Mirror exclusively revealed that a baby girl had died at Basildon because the hospital could not afford to buy a heart monitor.

After Kim was turned away, the hospital's administrator, Mr Steve Topham, said: "We have a very good special care baby ward but we never have enough equipment.

● Government calls to the health service to save money by being more efficient were attacked yesterday by the chairman of the British Medical Association.

Dr John Marks said: "Cost efficiency is a pseudonym—a euphemism for cuts."

● Four minutes of heaven —Page 5.

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05 APR 1986

DAILY Mirror

Hospital cash cuts kill a baby girl

By JILL PALMER

A NEWBORN baby died because health service cash cutbacks left a hospital without vital equipment.

Doctors didn't have the heart monitor that would have told them little Samantha Rayner was slowly choking to death. By the time a monitor was available it was too late. Samantha had been strangled by her own umbilical cord.

Her distraught grandmother Mrs Linda Rayner, said: "Instead of a beautiful baby my daughter has a death certificate.

"The Government's policies have killed my little granddaughter.

"The consultant told us that if they had a fetal monitor they would have spotted the baby's distress and performed an emergency operation.

Disgrace

"They just don't have enough equipment. They are being starved of funds, and it's a disgrace."

●The Mirror campaign.

Samantha was born at Basildon hospital in Essex. Mrs Rayner said her 17-year-old daughter Zoe had a normal pregnancy.

The problems began after she went into labour.

"She was in labour for six hours and the contractions were only a minute apart, but there was still no sign of the baby's head," said Mrs Rayner.

"I could tell the midwives were worried because they kept going to try to find a monitor. But the labour ward has only two and both were being used.

"When the baby's head appeared the cord was wound tightly round her neck and she was blue and lifeless.

"They cut the cord before she was fully born but it was too late.

"Samantha was rushed to the intensive care unit. The staff did all they could but it was useless."

Cord

The baby died two days later after attempts to revive her on a ventilator failed.

A post mortem revealed that she died from lack of oxygen due to the cord round her neck.

Basildon hospital was

● Turn to Page Two

'They could have saved her... they just don't have the pounds'

Cuts killed a baby girl

● From Page One

built 13 years ago. There are 10 places in the labour ward and only two fetal heart monitors, which cost £3,812 each.

On the day Samantha was born there were four other women in labour.

Hospital administrator Steve Topham said: "Fetal heart monitors are expensive pieces of equipment. We just haven't got the resources to purchase them.

"We can't just go out and buy the equipment we need. We often have to rely on people raising money to buy it for us."

Sunday Mirror

30 MAR 1986

Why Mrs Thatcher should see this show and act..

MIRACLE OF THE PETER PAN BOY

'Loving touch 'cure' that you can't get in Britain'

LITTLE Joe Horsley is an enchanting, lively youngster... but he was once destined for a worthless life in a wheelchair.

Five-year-old Joe was born with cerebral palsy and until a year ago was unable to use his legs, talk or, apparently, even see.

Last August Joe started special intensive therapy to stimulate his mind and body. His transformation was remarkable.

Sadly, it is not a British success story. The treatment is not available here.

Hopes

Joe's devoted parents, Lise and Mike, had to take him the other side of the Iron Curtain to Hungary, where such 'miracles' have been happening daily for years.

This week Joe finds himself the star of Standing Up for Joe on BBC-1, a tear-jerker of a programme that carries the hopes of

Special Report by STEVE DOUBLE

Britain's 100,000 handicapped children.

For Lise and Mike are hoping it will shame the Government into providing the funds necessary to bring the treatment here.

It should also touch the hearts of British doctors who dismiss youngsters like Joe as Peter Pans, children who can *never* grow up.

"We have written to Mrs Thatcher asking her to watch our programme to see for herself what can be done," said Lise.

An ambitious £1 million charity scheme to set up an Hungarian style centre for 200 handicapped youngsters in Britain has asked for just £100,000 from the Government.

It hasn't received a penny.

It's not as though the

'Our shame' by MPs

MPs slammed the Government's failure to provide a £100,000 grant for conductive education as "shameful" last week.

The man behind the frustrated £1 million scheme to start Hungarian style treatment for the handicapped in Britain is psychologist Andrew Sutton, of Birmingham University.

He said: "The method is remarkable. That £100,000 would be the answer to my dreams.

Mr Sutton, backed by charities and Birmingham City Council, wants to set up a conductive education centre here after sending a team to Hungary to study their methods.

So far the Departments of Health and Education, both responsible for caring for handicapped children, have provided just £11,000 for a survey of how a similar less successful system is working

MP John Silkin said: "The current £11,000 is totally inadequate."

A spokesman for the Education department said: "We need to know more before we earmark more cash."

Sir John Cox, director of the Spastics Society, which does much for handicapped children, said: "It's dangerous to think of the Hungarian system as a miracle cure."

Angry—John Silkin

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27 MAR 1986

DAILY Mirror

NHS: Tax the rich

Yesterday's Mirror

PRIVATE patients will face huge cutbacks under Labour—to stop them bleeding the National Health Service, Opposition health spokesman Michael Meacher said yesterday.

"We want to reduce the entire scale of the private sector and put the money and resources back where they belong," he said. "And one way to do that would be a 'conscience' tax on private patients "who can well afford it".

Mr Meacher spoke out after congratulating the Mirror on our special issue highlighting the cash crisis crippling Britain's hospitals.

He added: "Anything that might make this Tory Government take action to save our hospitals is of

● From Page One

immense benefit to the entire nation."

Mr Meacher's praise last night added to a flood of thanks from doctors, nurses, union leaders as well as the public.

Rodney Bickerstaffe General Secretary of NUPE said: "The special issue was superb. You have given the lie to the Government claims that the people's health service is safe in Tory hands." Both COHSE and the Royal College of Nursing also applauded the report.

And Dr John Harvard of the British Medical Association said: "We are delighted that the Daily Mirror is trying to force the Government's hand."

DAILY Mirror

Fury over tragic Chris, 13

THE furious parents of tragic schoolboy Chris Pullman hit out at Government cuts yesterday after our Special Report on the health service.

His mother, Pam, said: "It's about time the Government stopped playing poker with people's lives."

Chris, 13, is paralysed from the neck down after a car accident and is kept alive with a ventilator while he waits for a special 'pacer' to come from America.

Our report told how he had to be moved from an intensive care ward at Cardiff Royal Infirmary to make way for an elderly woman patient.

Now he is in another hospital 20 miles away at Bridgend.

26 MAR 1986

by SYDNEY YOUNG and CHRISTENA APPLEYARD Woman's Editor

A HAND smaller than a postage stamp brings shame to the Government's penny-pinching paymaster.

It closes on a doctor's finger inside a premature baby incubator that charity bought.

Tiny Rebecca McNally, who weighs little more than one pound, clings to life on equipment paid for with pence from caring schoolkids and jumble sales.

The new technology maintaining her tenuous hold on life would not be there but for the sponsored swims, pounding feet and piles of coins in smoky pubs.

Rebecca is lucky.

Other babies desperately needing care have had to be turned away because of the Government's spending cuts.

Most of the £21,000 worth of new technology keeping Rebecca alive at Bristol's special care baby unit was paid for by volunteers and doctors who turn fund-raisers when they go off duty.

BUT she owes just as much to the dedication of the overworked doctors and nursing staff who keep the ten-year-old unit going.

It has six intensive care cots. It needs another four—and nineteen more nurses.

Consultant Dr Peter Fleming says: "We have had to turn away quite a lot.

"Imagine how difficult it is to tell parents: 'Sorry, we cannot look after your sick baby'."

More than 100 miles away, the same blend of high technology and good old-fashioned caring is helping to save babies lives at King's College Hospital, London. But here too the cuts are biting.

In the intensive care baby unit, ward receptionist Maureen Fox is filling in her fortnightly order.

"They even dispute the number of nappies we need," she says.

"Can you imagine that? We've got babies fighting for their lives and they ask us if they need their nappies changing so often.

"It's not really the fault of the stores department. They've had their budgets cut so drastically by head office."

IN between duties the nurses and doctors chat about their fund-raising activities.

They are trying to raise £250,000, and a charity called Children Nationwide has promised to match every pound they make.

They already pay the salary of a consultant, Dr Anne Greeenough.

But still babies sometimes have to be turned away.

Ward sister Anne Rowan says sadly: "It's hard because the paediatrician sometimes says: 'You realise if you don't take this baby it will die?'

"In a lot of cases the babies WILL die. And the mothers will not realise it was because there weren't enough beds to save their baby."

WRITE AND TELL US WHAT CAN BE DONE

WHAT do YOU think about our hospitals? Write to: Jill Palmer, Health Crisis, The Daily Mirror, Holborn Circus, London EC1P 1DQ

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XV

26 MAR 1986

a colleague is sick, she works extra hours with no overtime. But she never complains, she would never strike.

The National Health Service can rely on her no matter how much it is cut.

"I suppose it is emotional blackmail, but I'm not in it for the money. A cure for leukaemia would be worth a million pounds pay rise to me," she says.

"There is no way in the world we would walk off and leave those kids."

Out on the ward she gets down on her hands and knees to try to mend a faulty cardiac monitor measuring the lifebeat of a 21-month-old with breathing problems.

The equipment is old and needs repair, but it is the only one. Moments later she is counting out a variety of multi-coloured pills for an 11-year-old kidney patient having dinner. "Here you are love—pills and chips."

He laughs and swallows them one by one. "Do you rattle now?" asks sister.

A glum 12-year-old with an arm fracture gets a measure of cherry pink medicine. "Cheers darlin'—have a drink." He has to smile.

The colour TVs the children watch were donated, like the Walkmans the leukaemia patients in months of isolation wear to take their minds off the pain.

Elsewhere the hospital relies on donations to help save lives, too.

She checks on a 10-year-old leukaemia patient, bald from drugs and with the haunted face and frightened eyes of an old person who might not live.

Back in her office, she slumps, exhausted.

"It's a fine life, isn't it," she says softly to a young doctor taking a breather.

"The only one," he says.

Mirror Comment

FORTY years ago, a Labour Government had a dream. It was that one day the finest medicine in the world would be available, free of charge, to the poorest of our people.

It called that dream the National Health Service.

Today's pages of the Daily Mirror are its epitaph.

The NHS only survives now because of the devotion and care and humanity of those who work for it. Theirs is a daily triumph over a tragic wreck.

Perish

Nurses work themselves to the brink of exhaustion and beyond it. Doctors do more than should ever be asked of them.

Still, patients are turned away from hospital. The old are sent home to die. Children share kidney machines. Surgeons choose whom to save and whom to let perish.

The Government says that the NHS employs more doctors and nurses and spends more money than ever before.

Almost every patient knows the emptiness of that boast. As Disraeli said, there are three kinds of lies: lies, damned lies and statistics.

This Government is good on statistics.

Starved

The National Health Service is being deliberately starved of money to finance tax cuts. The ill and out of work are subsidising those who are well and in work.

The very least the Government should do now is to put a tax on the private patients, native and overseas, who buy up our doctors at the expense of those who can't afford to.

The money could go to the NHS. We could call it a Conscience Tax.

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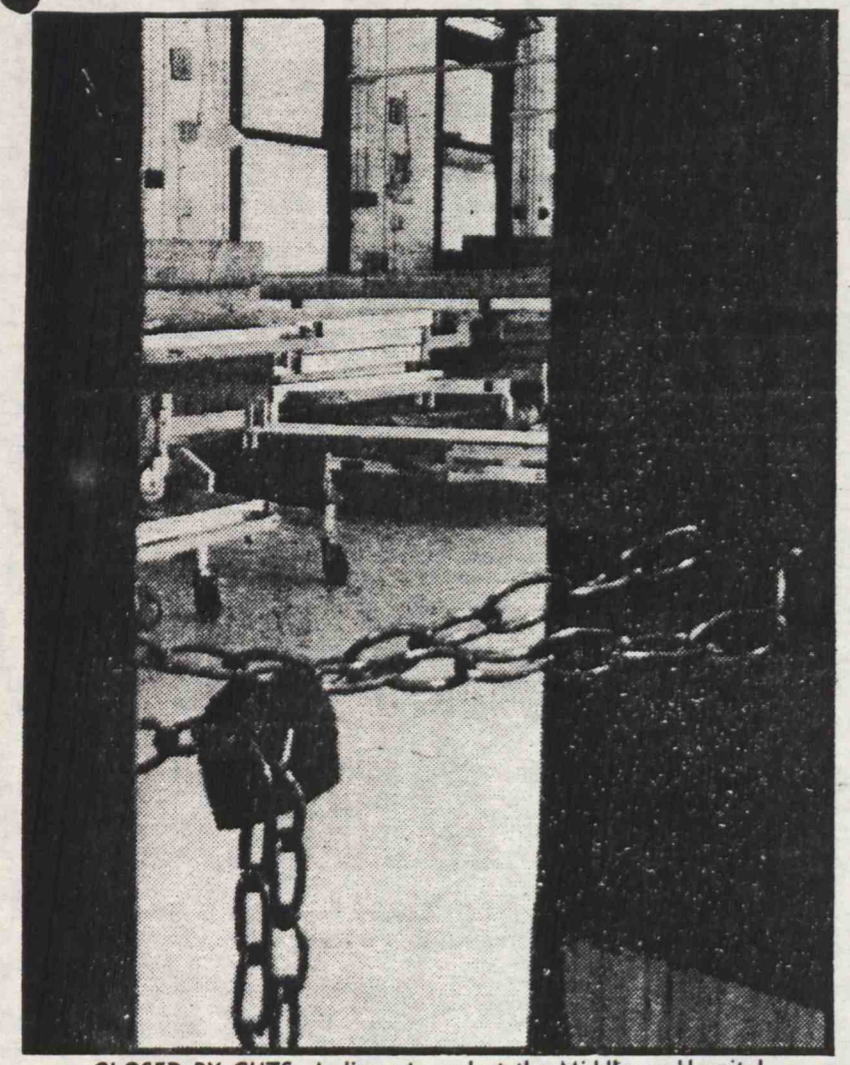
XIII

26 MAR 1986



CLOSED BY CUTS: A disused ward at the Middlesex Hospital.

"The support services for old people will be cut. Bed numbers will be cut."

INSTEAD of three old ladies who were not really ill there would be seven or eight.

"They'll be overflowing into the surgical wards and preventing people having operations for which they've waited months.

"The Government's aim is to redistribute resources to the lowest common denominator rather than raise everything up to the level of efficiency and sense.

"It is truly crazy."

Next day he paid another visit to Mrs G, she of the phoney limp.

He took her for another walk around the ward and asked her. And how are you feeling today, darling?

"You know," she said, "I feel well enough to go home now."

by FRANK PALMER

IT might be Broadmoor or Rampton. But this is Middlesex Hospital, London. And the chains are to keep patients out, not in.

Sandhurst Ward, through whose chained doors Professor Howard Jacobs now peers, is one of ten closed by cuts.

"The trouble," the professor sighs, "is that a cancer won't stop growing in the interests of economy."

He and his colleagues find it difficult to explain to a patient who has arrived, bag packed, for a long-awaited investigation, that the beds are full so come back another day.

Three floors below consultant Stuart Steele is writing a "very much regret" letter to a doctor who wants to refer to him a woman with fertility problems. Mr Steele has a waiting list of 300 and it is getting longer.

His "gyne" beds have halved since 1982.

Two wards and an operating theatre in the Soho-based Hospital for Women, where he does much of his work, are shut, despite a recent £100,000 facelift.

In 48 hours, 20 to 24 operations would have taken place in that theatre.

In out-patients paediatrician Charles Brook is finishing a clinic, where he has seen 20 children all with brain tumours.

He still frets about the baby discharged stay who became a cot death victim five days later.

"Patients go home too soon," he complains.

Although the Bloomsbury Health Authority are satisfied that the baby was fit and well when discharged, Professor Jacobs says: "Quote cases like that to NHS big-wigs and they start to massage their statistics. It's bloody disgraceful."

Our thanks . .

HOSPITALS throughout Britain opened their doors to Mirror writers and photographers. We wish to thank those hospitals and their staffs for the help they gave.

London area hospitals: Middlesex; Guy's; Dulwich; Hither Green; King's College, Denmark Hill; Royal Free, Hampstead; St Mary's, Praed St; Central Middlesex, Park Royal; Queen Mary's, Roehampton.

Hospitals outside London: Bristol Maternity; Wythenshaw, Manchester; Withington, Manchester; Manchester Royal Infirmary; Royal Victoria Infirmary, Newcastle; St James University, Leeds.

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DAILY Mirror - 3 MAR 1986

Fury over hospital cash squeeze

BABY IS SENT HOME TO DIE

A SICK baby named Sara was sent home from hospital to a seedy bedsitter because her bed was needed for another child. Three days later she was dead.

EXCLUSIVE
By JILL PALMER

Four-month-old Sara's distraught mother rushed her back to the hospital from the freezing bedsit. But it was too late. Last night Health Service cash cuts were blamed for the tragedy.

Hospital consultant Dr. Charles Brook said: "I'm sure she would have stood a chance if we had kept her in."

Labour's health spokesman Frank Dobson declared: "This child's death is sad proof of what everyone has been saying except the Government—bed cuts will cost lives."

●Turn to Page Two

●From Page One

Sara was in London's Middlesex Hospital where eight children's beds have been closed to save money.

She spent four days there with a tummy bug before going to her unmarried mother in Soho.

Dr. Brook said: "There was a child waiting to come in for treatment for cancer. We needed the bed desperately.

"Obviously we gave the mother instructions how to care for her child. But she just couldn't cope.

"She was in a terrible state when she brought her daughter back dead."

Sara was recorded as a cot death victim.

Dr. Brook added: "Normally we would fix up social workers and health visitors before allowing a baby home.

"But because of the squeeze there was nobody free to do that and there just wasn't the time."

Bloomsbury health authority have defended their cost-cutting decision.

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522 ext 6981

From the Permanent Secretary

Sir Kenneth Stowe GCB CVO

Personal

N Wicks Esq
10 Downing Street

25 June 1986

Dear Mr Wicks

When you were speaking with Sir Kenneth this afternoon, he said he would send over the attached extract of the transcript from Mr Hayhoe's appearance before the Social Services Committee on 11 June.

Yours,

Michael Kerin

M. KERIN
Private Secretary

1 D.N. pa

To see; the magnificence are presumably the Pte Secs.

NB Personal classification

2. CF for F.

NW
30.6

indefinitely. I think the Government's evidence to the Megaw Commission showed very clearly that whereas looked at over a relatively short period of time it may be possible for pay in the public service to be lower than what is happening outside, over a longer period of time these things have to adjust. As I have indicated, it is perfectly clear that this year the Whitley groups will have settlements which are above the level of inflation, since the opening offers in the negotiations have been above the current level. However, where they will end I do not know. You had one additional point as to the effect on morale and on recruitment. Recruitment and retention is extremely important. I think that we have not encountered particular difficulties on this front, but certainly looking forward it is necessary to reach settlements, in pay negotiations, which do retain and do take account of the need to recruit and retain and to motivate existing staff.

Mr Lewis

275. Can we turn now to current issues in the National Health Service, with particular reference to management arrangements? The recent resignation of Mr Victor Paige as Chairman of the NHS Management Board highlights concern about the implementation of the Griffiths Report. This has focussed attention on the possible conflict between Ministerial accountability to Parliament and their need to guide strategic decision-making on the one hand, and the desirability of delegating sufficient independence to senior managers to allow them to function most effectively. In his letter of resignation Mr Paige referred to the "different perspectives, priorties, objectives and restraints" of Minister and the Chairman of the Management Board. We would like to hear from you, and we would be interested to hear, your views about the extent to

which a conflict is inevitable between Ministers' accountability to Parliament and their need to guide strategic decision-making on the one hand, and then the desirability of delegating sufficient independence to senior managers on the other; and, if so, how can that best be dealt with?

(Mr Hayhoe) Mr Lewis, you raise a very, very important question which I think goes wider even than just purely the relationship between Ministers and the National Health Service. First of all, Mr Paige - whose resignation I regret, and who has made an important contribution to the development of management within the service (and that concept of general management, I can assure you, will be continued and has absolutely the full support of the Secretary of State and myself) - did say: "Ministers and the Chairman of the Management Board can approach the same issue with different perspectives, priorities, objectives and restraints". My comment would be that it would be a wondrous state if they did not. It is absolute normality that that be so. That I think would be recognised by all of us. In so far as Ministers having a responsibility to Parliament is concerned, our colleagues in the House would be concerned in changes were proposed which significantly changed that relationship. To some extent that is why the Secretary of State, when he asked Sir Roy Griffiths to look at the possibility of managerial changes, asked him to do it in the context that no primary legislation, no change of that kind, would be required; he sought from Roy Griffiths recommendations which could be implemented by administrative action. I believe that therefore it has meant that the Management Board and its appointment did not interfere in any way with the accountability of the Secretary of State and my predecessor and

myself to Parliament. I suspect that that is what Parliament would probably have wished. Any suggestion that there ought to be a change, that there ought to be an independence in the management of the Health Service and a reduction of that accountability to Parliament by the Ministers, would be a matter first of all requiring legislation and then, I am sure, requiring the most careful consideration by the House, because it would be a very major change in a very crucial service where I believe - and this is my experience both as a Member of Parliament and not as a Minister - that Members of Parliament place very considerable importance upon their ability to raise with the Minister of the day issues affecting the health care of their constituents both in groups or as individuals.

Chairman

276. That is not in question, is it, Minister? Nobody is suggesting that our responsibilities in future should be curtailed. Mr Paige did not last very long. Are you going to replace him?

(Mr Hayhoe) Yes. He has already been replaced by an acting Chairman - Len Peach - and he will obviously carry on the day-to-day functions. This was done immediately. Certainly I think that Len Peach brings very great skills and experience to this matter.

277. So you are going to replace Mr Paige?

(Mr Hayhoe) Yes. As to the arrangements for replacing Mr Paige, I shall put in a note to the Committee, if I may.

Chairman: Thank you.

Sir David Price

278. On your previous reply to Mr Lewis, do I understand that Mr Paige did not understand what he was taking on? What you stated was what we understood when your predecessor was giving

I have said that this must be routed through you - even if you are not a Sir Humphrey (see §282 below)

MML/CHa draftup.

evidence to us at the time of the Griffiths Inquiry, and what you have said was a restatement of what I have always understood the position to be. It is clear to me - or maybe I got it wrong - that Mr Paige did not understand it, that he thought he was taking on the chairmanship of a nationalised industry, and in no way was there going to be that relationship. The most fundamental one of a chairman of a nationalised industry was the lack of accountability to this House of day-to-day management decisions, and I think he just misunderstood.

(Mr Hayhoe) I would not seek to interpret the second paragraph of Mr Paige's letter. I think it must stand that that is the view he has expressed. Certainly it would be wholly inappropriate for me to seek to put some gloss or interpretation on it. I merely commented, since the point had been picked up by Mr Lewis, who had read out part of that sentence, that that was a statement of fact.

279. So that there can be no misunderstanding for anyone who may apply for his job, this is not the same as the chairmanship of a nationalised industry, and in the proper sense of the word, whoever does that job is the creature of the Secretary of State who is answerable to Parliament - and the creature is not.

(Mr Hayhoe) "Creature" is a somewhat emotive word.

280. It is meant to be. I am making the relationship absolutely clear.

(Mr Hayhoe) I think the person who does that job must be for the future a person with much managerial skill and experience.

Chairman

281. Mr Paige had that.

(Mr Hayhoe) Of course he had, and I paid tribute to the work he has done and I indicated I was sorry he had left his position, but it is not for me to interpret, as I say, the somewhat delphic sentences which appear in paragraph 2 of his letter. This must be a matter for Mr Paige if there is further interpretation to come.

Mr Galley

282. Is it the case, Minister, that the entrenched Civil Service have outmanoeuvred the attempt at management of the Health Service and that perhaps the resignation suggests managing this enormous organisation of 1 million people and £18 billion is just too much for anyone to cope with?

(Mr Hayhoe) As you know, our Permanent Secretary is Sir Kenneth - not Sir Humphrey! - so it clearly would not be proper to extend the conspiracy theory that the civil servants are always able to move ministers and others to their whim. No, I do not think that is so. Again I believe that one must rest upon what Mr Paige

has said in his letter. The successful management, the successful accountability for the Health Service - all these matters are ones for which the Secretary of State has the primary responsibility. Obviously there is a role to be played by the Permanent Secretary, by the Chairman of the Management Board, by the members of the Management Board - and very, very good members we have indeed of that Management Board - together with all the other people involved in this issue. I hope we will get a replacement for Victor Paige soon in place who will be able to carry on the very significant reforms in management of the Health Service in which Victor Paige made a significant and important contribution.

Mr Lewis:

/ Of course, I accept - we must accept - what Mr Paige has said, but I think I would be correct in feeling - and I believe people outside would feel - that there is something that has gone off in the Department about which we know nothing.

Chairman

283. I think the only way to find out what r Paige's views are would be for the Committee to call Mr Paige.

(Mr Hayhoe) That must be a matter for you. Certainly I know of nothing which would meet that and I looked at the press on the day following the announcement of his resignation: if you look at all the cuttings together, as I did, you will find every possible explanation of why he left. I prefer to remain on the basis of his letter.

Mr Lewis

284. In our report on the Griffiths Inquiry in 1984, this Committee recommended that there should be formal instruments of delegation defining the degree of independence of the NHS Management Board. Now, at the time the Government declared this

to be quite unnecessary. Do you think there would now be merit in defining formally the powers of the Management Board and of its Chairman?

(Mr Hayhoe) I think that the relationship of the Management Board and its Chairman ot the Secretary of State is defined and it lies within the administrative and constitutional arrangements which have been determined by legislation of Parliament. What I indicated - really in response to your earlier question, Mr Lewis - was that at the time that Roy Griffiths was asked to report it was to bring forward proposals which could be implemented without legislation and by administrative action. I think what was suggested by the Committee in its report two years ago would have required legislation and, of course, knowing the time it takes legislation to go through, we might not even have had Mr Paige, or whoever it would have been, in post by this time because legislation of this sort, changing fundamentally the relationship and responsibilities - which it would do - of the Minister to Parliament - and it was suggested that it should be made somewhat analogous to a nationalised industry where the day-to-day issues are quite separate --- As a Minister, I can see attractions; it would reduce my postbag considerably and, indeed, the number of questions, the delegations and others I meet. But, as I indicated earlier, I think a change of that character for this Service, which is of such fundamental importance for the nation, is not one that could have been lightly entered into and would have required very, very careful attention. I am sure, even if the Government of the day had brought forward proposals quickly, Parliament would have wanted to give them very careful and detailed consideration.

Chairman: We all agree.

JUL '86 16:31 DHSS PARLIAMENTARY BRANCH P.1

CCBT

cc Mr O'Connor
Mr Fisher
Mr Langsdon
Mr Rayner
Mr Shaw
Mr Gowland
Mr Munro

MIO
24/6

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

The Rt Hon Nicholas Edwards MP
Secretary of State for Wales
Welsh Office
Gwydyr House
Whitehall
LONDON
SW1A 2ER

24 June 1986

Dear Nick

As you know, I intend to hold a series of public meetings as part of the consultation upon the proposals we put forward in the discussion document on primary health care services. The first of these meetings will be held in my Department's offices at Elephant and Castle in early July and will concentrate upon our proposals for family doctors.

I intend to model the meetings upon those I found helpful during the social security review and will be inviting representatives of professions, of consumer groups and other interested bodies to give evidence. In taking evidence I will be assisted by Barney Hayhoe and Ray Whitney as well as by my Chief Medical and Nursing Officers.

You will of course be making your own arrangements for consultation in Wales but you may also feel it would be helpful for there to be a Welsh representation at the first London meeting. If you or Mark do wish to take part I should be very happy to make the necessary arrangements.

A copy of this letter with a similar invitation goes to Tom King and Malcolm Rifkind.

Yours ever
Norman

NORMAN FOWLER

CCBT

cc Mr O'Connor
Mr Fisher
Mr Langsdon
Mr Rayner
Mr Shaw
Mr Garland
Mr Mackay

MIO
2/6

DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522
From the Secretary of State for Social Services

The Rt Hon Nicholas Edwards MP
Secretary of State for Wales
Welsh Office
Gwydyr House
Whitehall
LONDON
SW1A 2ER

21 June 1986

Dear Nick.

As you know, I intend to hold a series of public meetings as part of the consultation upon the proposals we put forward in the discussion document on primary health care services. The first of these meetings will be held in my Department's offices at Elephant and Castle in early July and will concentrate upon our proposals for family doctors.

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A copy of this letter with a similar invitation goes to Tom King and Malcolm Rifkind.

Yours ever
Norman

NORMAN FOWLER

10 DOWNING STREET

Prime Minister 2

See X.

Queues are inevitable, surely, in any system of health provision which is not regulated by price.

DRN
19/6.

Daily Telegraph

WEDNESDAY, JUNE 18, 1986

Why the fiddling has to stop to help the NHS pay its way

By GRAHAM TURNER

THE STATE of the National Health Service promises to be one of the great election issues. The Prime Minister may protest that spending on the NHS went up by 17 per cent above inflation between 1979 and 1984, and that it employs twice as many people as it did only a decade ago, but she might as well save her breath.

Even her own Ministers declare publicly that more money needs to be spent on the Health Service, while groups of consultants all over the country have now perfected the technique of the cosmic moan.

The first option for Mrs Thatcher is to pour in more taxpayers' money; a second is to change the basis of the NHS's funding so as to add extra sources of revenue to the present tax-based system.

One Minister — not involved with Health — raised eyebrows this week by saying there is no case for spending more on this "ramshackle system spatchcocked together by Labour after 1945". Instead, said Mr Geoffrey Pattie, we should spend more on private and independent facilities.

But there are plenty of backers for the idea that the NHS is grossly underfunded: we spend a mere 6 per cent of GNP on health care, they point out, while the Swedes spend about 10 per cent.

Yet, according to Swedish consultants, patients in that country's largest cities have to wait up to a year to have a cataract removed, at least a year for a hip operation, 2½ years for non-critical varicose vein surgery. As Gordon Best, director of the King's Fund College, which runs a management school for the NHS, says: "There is no relationship between how much you spend and the length of waiting lists".

Thus, even pumping an extra £100m. or £200m. into the Health Service with the specific aim of cutting waiting-lists (660,000 at the last count) would be unlikely to bear much human or political fruit. Given the depth of the NHS bureaucracy, it might easily be soaked up before it ever reached the patients.

DHSS officials add, perhaps unduly cynically, that many consultants like to keep their waiting-lists long because it strengthens their claim for more NHS resources, ministers to their self-esteem and gives them a good excuse to charge their private patients fat fees.

But there is a third option—trying to run the NHS so that it costs less and gives a better service to its customers. A few modest and uncertain steps down the road to the management option were taken after the report on the Health Service by Sir Roy Griffiths, Sainsbury's deputy chairman. General managers were appointed in place of the previous woeful tangle of committees and a so-called Management Board set up.

The impact of the general managers has been very variable. "There's no sign of dynamic change here", admitted a senior official in one big NHS region. "It's still the same totally inert body it always was."

Pumping in an extra £200m is unlikely to bear much fruit

As for the NHS Board, it has been a serious disappointment. Its first chairman, Victor Paige who resigned the other day, had neither the authority nor the charisma which the job demanded. Indeed, given the massive management task which the NHS represents (it is a £19b. business with more than a million employees), it was a disastrous appointment. If BL needed a Michael Edwardes, the NHS surely demanded no less.

Mr Paige was given no real power. Instead of being his Secretary of State's right-hand man and clothed in his full authority, he worked from an office in the DHSS and, by all accounts, had little impact either there or in the regions. "He came here once", said one regional official, "and our attitude was hail-fellow-well-met, goodbye and take a running jump at yourself".

That, moreover, was exactly how many senior civil servants preferred it. They were terrified that Griffiths would be appointed, and that they would forfeit not only their power but also (in some cases) their jobs.

One section of Griffiths's draft report, which never saw the light of day because the DHSS "thought it might be misunderstood", remarked that the Secretary of State spent half a day a week on the management of the Health Service if he was lucky, the Minister of Health a day, the DHSS's Permanent Secretary half a day.

Further down the line, health economists like Professor Alan Maynard maintain, there is a "pathetic" ignorance of costs. "If a Shell executive didn't know what petrol cost, he'd shoot himself", said Maynard. "But ask a doctor the price of a hernia operation and he hasn't a clue. We have simply got to start managing the NHS".

Nor are the savings in prospect insignificant. The Health Service, declared a senior DHSS official, was grossly over-funded. Wherever he went around the country, he found ridiculously wasteful things going on. There was no reason why there should not be savings of 20 per cent in many areas. A properly constituted Management Board, remarked one of his colleagues, could certainly aim at a 10 per cent saving across the board, say £1.75b.

To achieve those savings, Mrs Thatcher needs to do a number of things. She should appoint a businessman of real stature—Griffiths himself, for example—to be director-general of the NHS Board. She should move him out of the DHSS and into his own headquarters, and ensure that he has real power, including a veto over all senior appointments and the authority to carry the smack of firm management into every corner of the Health Service.

He and his staff should have the clout, for example, to visit the six least-efficient NHS districts and invite them to pull up their socks or face not having their contracts renewed. They should also be able to instruct general managers to cut waiting-lists to, say, six months within a year or suffer the same fate.

The truly caring thing to do is ensure it is efficiently run

Mrs Thatcher should also recognise that Mr Fowler is not the man to oversee such a change. She should replace him with Kenneth Clarke. He and Griffiths together could transform the effectiveness of the Health Service.

What she should *not* do is appoint another under-powered chairman or allow Mr Fowler to persuade her that more money needs to be poured in. That would simply undo her good work in focusing people's minds on costs. On the contrary, she should hold firm to her belief that the truly caring thing to do for the NHS and its patients is to ensure that it is efficiently run. When that has been done, and only then, can she properly turn her mind to ways of finding extra cash for the areas that genuinely need it.

She dislikes what she calls "Wilsonian fiddling". Very well then, let her make sure that the fiddling stops.

X

14

Prime Minister 2

DST 18/6.

412

CONFIDENTIAL

Ate LPO
ccBG

10 DOWNING STREET

19 June 1986

From the Private Secretary

Dear Tony,

RENEWAL OF THE PHARMACEUTICAL PRICE REGULATION SCHEME

The Prime Minister has seen a copy of your Secretary of State's letter to the Secretary of State for Wales of 15 June about the proposed agreement with the pharmaceutical industry.

The Prime Minister accepts that the agreement represents a reasonable deal for the Government.

The Prime Minister believes it will continue to be most important that DHSS should pursue vigorously proposals for more cost effective prescribing of drugs by GPs. The consultation document on primary care referred to the possibility of increasing the incentives for cost effective prescribing and this issue will need to be pursued during the consultations.

I am copying this letter to the Private Secretaries to the Lord President, Foreign and Commonwealth Secretary, the Secretaries of State for Northern Ireland, Scotland, Trade and Industry, the Chief Secretary and Sir Robert Armstrong.

Yours,

David.

DAVID NORGROVE

Tony Laurance, Esq.,
Department of Health and Social Security.

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David

I've spoken to Tony Lawrence about Waiting Lists - your letter of 13.5.86. They certainly haven't forgotten it - referred to in their recent public expenditure stuff.

It is likely to feature prominently in their presentation to PM at the end of the month.

Content for us to stop chasing?

Yes, thanks. Julie

18.6.86

Prime Minister

PRIME MINISTER

Agree to write as proposed? DHS 18/6.

18 June 1986

RENEWAL OF THE PHARMACEUTICAL PRICE REGULATION SCHEME

Yes ok

The NHS spends about £1.9bn a year on drugs. It is a monopoly buyer, and a company with a patented drug may well be a monopoly seller. In the absence of normal market forces the PPRS establishes a framework for pricing and buying drugs. We set target levels of profit for companies (within a broad range) based upon a return on capital employed.

The 25% average target rate of return set by Labour in 1978 was much too generous, especially as the profitability of most of British industry fell during 1979-81. So we have been steadily toughening up the PPRS - bringing the average profit rate down to 18% and reducing the allowance for sales promotion costs. But meanwhile British industry has bounced back from the recession, and the inevitable protests from the drug companies have begun to seem more sincere.

The new deal negotiated with the Association of the British Pharmaceutical Industry (it must now be put to their members) is the best we could hope for in these circumstances. The drug companies get an increase in the average profit rate of 1.5% in October, and a further 2% in October 1987. Thereafter, changes in the profitability of the rest of British industry will be taken into account - though no rule is specified. In return, we get better financial information, particularly from multinationals on their transfer prices so it will be more difficult to fiddle their profitability figures. We can also hope for a period of stability in our relations with the drug companies.

The Opposition may argue that it shows we help out rich drug companies whilst clobbering nurses. The reply to this is that the increased profit rate will still be lower than the 25% inherited from Labour; allowable sales promotion costs have been reduced since 1979; and the régime for transfer prices will be tougher. Moreover, the British drugs industry is a success story - we do not want to kill the goose that lays the golden eggs.

At the other extreme, some companies will moan. American firms may object that the transfer price régime discriminates against them. We can reply that the transfer price arrangements are in line with the OECD code of practice.

The Treasury accept that the deal is the best we could hope for in the circumstances. I therefore recommend you agree to it.

The only point which you might want to add is that our drugs bill is high because GPs - who prescribe 3/4 of NHS drugs - have no reason to care about the cost. The consultation document on primary care contains an anodyne statement that 'Once better information on individual doctors' prescribing patterns is fully available, the possibility of using this information to increase the incentives for cost-effective prescribing will be explored.' The DHSS are hoping this will bury issues like drug budgets. This is an opportunity to remind them that the issue should be pursued as part of the consultations on primary care.

David Willetts

DAVID WILLETTS

PH0042p

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010

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

Any PS comments by Wednesday please. B/F then.

The Rt Hon Nicholas Edwards MP
Secretary of State for Wales
Welsh Office
Gwydyr House
Whitehall
LONDON
SW1A 2ER

15 June 1986

Dear Nick.

RENEWAL OF THE NHS PHARMACEUTICAL PRICE REGULATION SCHEME

WILL REQUEST IF REQUIRED

The negotiations with officers of the Association of the British Pharmaceutical Industry (ABPI) for a renewal for the Pharmaceutical Price Regulation Scheme (PPRS) foreshadowed in Kenneth Clarke's letter of 23 July last year to the Chief Secretary and other interested Ministers are now complete. The proposals envisage a 6 year agreement starting in October of this year, with a provision for review after three years.

As intended, we have offered a new procedure, based mainly on published index movements, for keeping the industry's allowable profits on NHS drugs in line with changes from 1988-89 in the average profitability of British industry. In the meantime we have offered some belated interim increases, within expenditure limits agreed by the Chief Secretary. In return, we have secured more explicit powers to constrain the growth in the industry's costs and a renewed and more emphatic commitment on the industry's part to cost improvement.

The proposals also include somewhat improved powers of last resort in cases of serious dispute over foreign companies' transfer prices. The industry's sales promotion allowance will remain at the level (9 per cent of NHS sales revenue) to which we reduced it last year, but we have agreed that for limited periods companies marketing major pharmaceutical innovations should be able to spend limited amounts of their own profits on extra promotion. We have also improved the incentives to innovation and competitiveness by somewhat increasing the share of profits allowed to companies demonstrating special

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E.R.

efficiency gains or research successes, and by insisting that the level of support for research and development in NHS prices may be influenced by the industry's success in containing its general costs as well as by the overall financial position of the NHS.

The ABPI cannot commit its member companies to these proposals without consulting them in full. The agreement on offer is less generous than they had hoped for, and considerably less advantageous to them than the scheme introduced by the Labour Government in 1978. Our expectation is that the British and European companies will acquiesce, though there may be some difficulty with the United States sector which is more aggressive and most at risk on transfer prices. My Department will liaise closely with the Department of Trade and Industry and the Foreign and Commonwealth Office over the position of the US companies and any reaction from the US Government.

When the ABPI's consultation with its members begins towards the end of this week the proposals are likely to become public. I therefore intend to inform Parliament of the position reached by means of a written answer, probably on Thursday 19 June.

The proposals are satisfactory for us. If accepted they will stabilise our relations with the industry after two years of hostility, and should improve - if only modestly - the investment climate for both British and foreign companies. We should be able to secure medium and long term expenditure gains from the new emphasis on the containment of cost growth. However, the pharmaceutical industry's terms of business with the NHS are always sensitive, so I do not intend a high profile political presentation and particularly during the forthcoming period of debate on the proposals within the industry will aim for the minimum of public and political comment. Assuming that the industry's response is in due course favourable, my Department will discuss with the Department of Trade and Industry the best means of exploiting the industrial policy and inward investment potential that a final and formal agreement should offer.

Copies of the detailed proposals have been circulated by my officials.

I am sending copies of this letter to the Prime Minister, Willie Whitelaw, Geoffrey Howe, Tom King, Malcolm Rifkind, Paul Channon and John MacGregor, and to Sir Robert Armstrong.

Yours ever.

NORMAN FOWLER

010

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CHIEF SECRETARY TO THE TREASURY

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Norman Fowler MP
Secretary of State for Social Services
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
London
SE1 6BY

NBPM.

18 June 1986

Dear Norman,

RENEWAL OF THE PHARMACEUTICAL PRICE REGULATION SCHEME

Thank you for sending me a copy of your letter of 15 June to Nick Edwards.

As you say, the agreement your officials have provisionally reached with the ABPI is in line with the terms we had previously discussed. We agreed that you would do your utmost to avoid a claim on the Reserve on account of the increased profit rate in 1986-87, though I would be prepared to accept one as a last resort. For 1987-88 and 1988-89, you have agreed that you will try to meet the extra costs by means of a review of the role of the GPFC (including the possible sale of part of its portfolio) or some other measure. Thereafter, you are intending to make economies on the costs side of the scheme.

On the details of the proposals, I welcome the decision to restrict the application of the new scheme to branded drugs alone, leaving generic prices to be set by the market. I also welcome your plans to tighten up on allowable costs. The objective of securing savings here seems to depend on the manner in which your officials administer the scheme: I trust that they will continue to adopt the tough approach which has been characteristic of recent years. I also continue to see the allowance for sales promotion as a particular area where we might look for more economies; I regret that the new proposals do not achieve this directly, and I look to you to keep pressing on this.

In the longer term, of course, we are hoping to see changes in prescribing practices which would enable market forces to play a greater role in determining prices for branded as well

CONFIDENTIAL

as for generic drugs. Notwithstanding the completion of the present negotiations, therefore, I would urge you to continue to examine the practicalities of possible alternatives, as we agreed when we discussed the primary care consultative document.

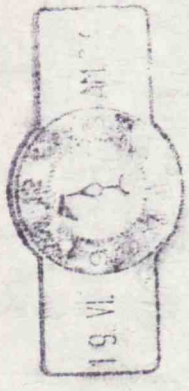
I am content to await the Survey discussion before tackling the issue of expenditure on the Family Practitioner Services over the next three years. But I should say now that I will be looking for much greater efforts from you to deliver on your previous commitments, including finding a workable way of covering the extra expenditure under the PPRS.

I am copying this letter to the Prime Minister, Willie Whitelaw, Geoffrey Howe, Tom King, Malcolm Rifkind, Paul Channon, Nick Edwards and to Sir Robert Armstrong.

Yours ever,

JOHN

JOHN MacGREGOR



1

Prime Minister
Shall I tell Mr Fowler's office that if they are contemplating this route, Mr Fowler should speak to you urgently?
N.L.W.
13.6

we shall need someone fairly soon

Yes 'nto

Ref. A086/1694

MR WICKS

National Health Service Management Board

You asked me if I knew what was happening about the succession to Mr Paige.

2. I think that the answer is, in the absence of Sir Kenneth Stowe, not very much. Mr Peach is acting as Chairman of the NHS Management Board for the time being, and at one stage Mr Fowler was certainly thinking that that might become a permanent arrangement.

and a corporation very largely financed by grant.

3. I hear more recent reports, however, that Mr Fowler has been talking about the possibility of turning the NHS into a public corporation and of inviting Sir Roy Griffiths to be the first Chairman of the new NHS corporation. I should have thought that it would be better if Mr Fowler did not talk too freely about this idea. It would require legislation; there is no such legislation in the Legislative Programme next year, and it would certainly be controversial legislation, because of the objections that, at any rate, the Opposition parties would see to putting health care on the same footing as, say, electricity or gas. Unless there were a real likelihood that the Government would want to proceed in this direction before an election, it might be more sensible not to start any hares running.

RA

ROBERT ARMSTRONG

12 June 1986

Spoke T.L. He knew nothing.
NLW
19-6

11 June 1986

VICTOR PAIGE: LESSONS FOR THE FUTURE

1. The Management Board needs a management function

The Griffiths reforms are working at District and Regional level because there is a job for the Managers to do. But we have not created a matching management function at the centre. The organisation chart published in June 1984 shows that the Management Board had no management powers. It was an extra committee with a rather grand title, placed within a normal Whitehall structure.

We cannot stick with this. We got the worst of all worlds appointing a man to a management job which didn't really exist. We must either go forward or backward:

> Forward: The Management Board should be given a real management job to do with real authority.
>
> Backward: If the arguments against change at the centre are valid, we should accept that the management function is for Regions and Districts, but not for the centre. We should stop raising expectations we cannot meet.

If we decide to go forward, how could we give the Management Board some teeth?

The National Health Service does not have an autocratic chain of command; nor will it while there is quasi-democratic representation on District and Regional Health Authorities. Nevertheless, Regions and Districts look to the DHSS and the Secretay of State for guidance and instruction. They should not be encouraged to interpret references in legislation to the Secretary of State as meaning the Secretary of State in person. Instead, the Secretary of State's managerial powers should in effect be

delegated to a Manager "clothed with his authority" (in the words of the original Griffiths Report). The new Manager would derive executive authority in two ways:

a. A clear chain of communication from District Managers to Regional Managers to the centre. The case of Brigadier Lucas, who did not turn to his Regional Manager when in difficulties, is evidence that this chain does not exist at the moment - indeed, no such chain was envisaged in the June 1984 organisation chart.

b. Regional Chairmen would deal with him as the agent of the Secretary of State. They refused to deal with Victor Paige on this basis. Their behaviour might change if the new man were a "Director General" chairing a Board comprising the Regional Chairmen and full-time members (the Electricity Council might be a model).

2. Authority within the Department

Although Victor Paige was the Accounting Officer for the hospital and community health services, Sir Kenneth Stowe retained his position as Accounting Officer for the central DHSS. The Establishment Officer responsible for all staff at the centre reported to Sir Kenneth. Victor Paige had no power to move any staff where he wished (he didn't even have the private secretary he wanted). He had less involvement in the management and scrutiny of Civil Service staff than a normal civil servant. The Personnel Director on the Management Board has no powers over any personnel

Victor Paige couldn't exercise any authority outside the Department because he was trapped inside it; but he didn't have any powers inside the Department because he was an outsider.

The new Manager needs some power in the selection and management of staff on the Health side of the Department. This points to splitting the administrative vote for the Department and making him Accounting Officer for the health side.

3. Public campaigning for good management

The management and cost-effectiveness of the Health Service are improving. But most of these changes began before the arrival of the Management Board. Moreover, they are only apparent to a few professionals on the inside. The Management Board needed to take a higher profile and campaign publicly for the achievements of good management. Instead, the management silence has been filled by the damaging RCN campaign.

That is part of the rationale for a waiting list campaign - to show that the arrival of Victor Paige and professional Managers could make things better for the average patient. The dynamic Regional Chairman see this as part of their job. It was not done by a Manager at the centre.

The new man should be given a public rôle. If a hospital has to be closed, he should be sent to the spot to handle the press and take the flak away from the Ministers. He should be to Ministers what Ministers are to Royals - getting the unpopular jobs while they can go and open the new hospitals. He should also be a public campaigner for value for money and good management - doing in the Health Service what John Banham does in local government.

4. Lifting the burden

The NHS Management Board was introduced as a fifth wheel on the waggon. But that didn't make failure inevitable, because a fifth wheel will be used if it can help ease the

burden on the others. But the Board didn't crack problems and offer solutions. I am not aware that at any point in the last 18 months any senior official or Minister felt: "Here's a tricky problem - London/waiting lists/patient satisfaction/managers' pay - the NHS Management Board will be able to sort it out for us". The Board was just another source of briefing papers. But a busy Minister of a busy Department is entitled to look to the Management Board to make life easier.

So the new Manager must have a fairly free rein to fix things on behalf of the Minister and help and encourage people in Regions and Districts to get things done. At the moment, Regions and Districts seem to think of the centre as a brake, stopping them doing things. They believe they have changed, but the centre has not. We need to be demonstrably as energetic and purposeful as they believe they are.

5. A big man

Especially given the organisational problems identified above, the introduction of a Management Board was only going to work if the Chairman was a big man who carried the respect of Ministers, the Department and the Regions. Such a man might have been able to overcome the flaws in the definition of the post. Similarly, redefining the post to give it more powers will count for nothing unless the individual chosen to fill it has weight, authority and the knowledge of the Health Service to be able to use them.

DAVID WILLETTS

10 DOWNING STREET

From the Principal Private Secretary 10 June 1986

HEALTH SERVICE MANAGEMENT

I have shown the Prime Minister your letter of 6 June about the resignation of Mr. Lucas as General Manager of Central Birmingham Health Authority.

The Prime Minsiter was grateful for the work done in preparing this note, which she read with interest.

N L WICKS

Tony Laurance, Esq.,
Department of Health and Social Security

SMD

cc D. Wicks

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

MF

Nigel Wicks Esq
10 Downing Street

Prime Minister 2

6 June 1986

A useful note which throws light on the workings of the NHS at local level.

MF

Dear Nigel

HEALTH SERVICE MANAGEMENT

N.L.W. 9.6

You wrote to Graham Hart on 23 May about the resignation of Mr Lucas as General Manager of Central Birmingham Health Authority. In order to clarify matters, Mr Hart decided that it would be necessary to interview Mr Walliker, the Chairman of the Health Authority.

As a result of this discussion, a revised note on the case of Mr Lucas is enclosed.

Yours

Tony.

A LAURANCE

Background

Central Birmingham is a teaching district with an annual budget of £77m. It faces the usual pressures on inner city health authorities - the pressures to maintain excellence in the teaching hospitals and to develop the "priority" services, within a limited budget. Any such district presents a major management task.

2. The district health authority Chairman is Mr C J Walliker, FCA. Aged 50, he is Chairman of Benjamin Priest, a medium sized engineering company, a position in which he succeeded Mr Charles Wardle MP. Before that he was Personnel Director of Delta Group. The Vice Chairman is a local general practitioner, Dr Bruce-Smith. Neither Mr Walliker nor Mr Ackers, Chairman of the Regional Health Authority, regards Central Birmingham as a particularly "political" authority. Of course some members hold strong political views, and as in many health authorities some issues are likely to arouse controversy and need to be handled with some care by the Chairman and the General Manager: but such issues are not taboo and, the record shows, can be dealt with successfully.

3. The authority has in the past had difficulty in getting its spending under control but Mr Walliker took firm action over this and recently the authority's financial record has been good. They have achieved efficiency savings of £2.3m since 1984, including £780,000 from competitive tendering. In fact in competitive tendering - an area where political differences can easily obtrude - the district's record is the best in the Region.

4. The authority enthusiastically accepted the need for general management and has reaffirmed its support since Mr Lucas resigned. It was very much Mr Walliker's initiative to bring in someone as general manager from outside the NHS. The record very much supports the view that Mr Walliker and his authority had a strong interest in Mr Lucas's success as general manager.

Mr Lucas

5. Mr F J Lucas CBE was appointed District General Manager in August 1985; after two months' familiarisation, he took up full executive authority on 1 October. Before his retirement he had been a Brigadier, but he deliberately eschewed using his rank or any consciously military approach. He fitted in well from the start and Mr Walliker says everyone liked him.

6. Mr Lucas resigned on 25 April, subsequently making claims in the press that members of the authority had impeded his attempts to manage and that he had uncovered numerous inefficiencies.

Events leading up to the resignation

7. Mr Walliker reports that during Feburary and March questions began to arise about Mr Lucas's performance. He allowed an inhouse tender for cleaning at the Maternity Hospital to go forward to the authority although when members challenged it he admitted it was

unrealistic and could not be delivered. He made premature and tactless remarks to the press about an approach from an American company to provide psychiatric services. He failed to advise the authority adequately on the implementation of its long term strategy. He failed to respond to the Chairman's request for reports to the authority that were informative about key issues of performance instead of minor matters.

8. For the authority's meeting on 15 April Mr Lucas produced a six months' report which may have been an attempt to vindicate his performance to date. He classified it "In confidence - authority members only" and it was discussed in the private part of the meeting. The report was not well received. It showed no real understanding of the major issues facing the autority, including the need for strategic change in the balance of its services. It contained a curious hodge podge of matters - some events in the past, some still to come, some minor, some major. It referred to a number of areas in which efficiency savings had been effected or at least identified. He gave the impression that in some cases he was claiming the credit for the work of others, eg in savings in the supplies field (entirely the work of the supplies officer) and in referring to the transfer of the Women's Hospital to the Queen Elizabeth Hospital site. (This proposal is some years old, and had already been accepted publicly by the RHA and incorporated in its plans).

9. On 24 April Mr Walliker and Dr Bruce-Smith had a meeting with Mr Lucas at which they counselled him about his performance. Mr Walliker says this discussion was amicable but frustrating. For example he tried to explain to Mr Lucas that the authority looked to him to advise it urgently on the development of community health services: Mr Lucas seemed quite unable to grasp what was needed, being able only to talk about the need to recover wheelchairs that had been loaned to patients and were no longer needed.

10. On 28 April Mr Walliker received a curt letter of resignation dated 25 April. Mr Lucas subsequently spoke freely to the press about his resignation.

Why did Mr Lucas resign?

11. Mr Lucas's account of his reasons does not seem to stand up. It is true that the authority did question some of his actions, as is their right, but Mr Walliker is clear that he did not receive harsh or unreasonable treatment. Certainly no proposal by Mr Lucas to introduce efficiency measures was rejected by them. As noted above, the authority's record on efficiency savings is a good one. Mr Walliker, himself an experienced industrial manager, completely rejects the suggestion that Mr Lucas was not allowed to manage. Furthermore, even on his own account of events, resignation after six months in the job does not speak well for Mr Lucas's persistence in the job.

12. After careful consideration Mr Walliker and Mr Ackers have concluded that one motivation for Mr Lucas in resigning was a recognition that he was out of his depth, especially where policy was concerned, and was likely to have his contract terminated prematurely.

13. There remain certain puzzling features of the episode; for example, why Mr Lucas did not himself seek any sort of advice from anyone, nor given any informal warning of his resignation, and why he felt at liberty to stir up controversy in the press. His conduct has certainly left all his colleagues at the health authority feeling that he has behaved very disloyally, and, therefore, out of character. Mr Walliker says that Mr Lucas did not show any outward signs of strain before his resignation but nevertheless he does not rule out the possibility that this was a major factor.

Lessons to be learned

14. It seems that Mr Lucas's selection for the post of District General Manager was a mistake. More care must be taken next time.

15. Apart from his regular meetings with all DGMs in his region, the Regional General Manager made himself available to advise Mr Lucas on several occasions. The RGM was aware that Mr Lucas was having some difficulties and being counselled by his Chairman, but the resignation caught the RGM by surprise. Closer and more frequent contact might have avoided this - but it seems unlikely given that the DHA Chairman was in close contact and was also caught by surprise.

16. A great deal of training is available for NHS general managers recruited from outside the NHS. More use might have been made of this, and should be on a future occasion.

NAT. HEALTH: Expenditure; Pt 5

This note not to be seen by Policy Unit.
G.U
5/6

10 DOWNING STREET

Prime Minister

I think that the best approach is, as you agreed, to leave the ball in Mr Fowler's court and go him to put new proposals to you.

N.L.W.
4-6

PRIME MINISTER

4 June 1986

VICTOR PAIGE'S SUCCESSOR

Steering the enormous ship of the NHS is never an easy business. It is not made any easier if we get tied up in tricky questions such as the title of the captain, when the crucial issue is what levers he needs on the bridge to do the job.

We recommend that you focus first on this rather than on difficult points of constitutional theory and political judgment.

Surely the questions are best addressed in the following order:

i. Why did Victor Paige fail? Whilst it was partly a matter of personality, the structure within which he was operating contributed to his failure.

ii. What powers must be clearly granted to his successor so that he doesn't fail as well?

iii. How can we design a post which really carries these powers?

iv. How would such a post best be described, given the current statutory framework for the NHS in which the

people at the centre either have to be civil servants (as Victor Paige was) or politicians?

We recommend that you invite Roy Griffiths (together with Norman Fowler, of course) to a meeting to discuss these questions. Roy Griffiths may be wrong to press for what he wants. But he is not being eccentric: it rests on his analysis of why Victor Paige failed. Roy Griffiths was the author of the original Report, and has been a member of the Board supervising Victor Paige for the past 18 months; his views will be very useful, regardless of whether or not he eventually gets the job he wants.

The appointment of a replacement is an urgent matter. The fact that Paige was not replaced yesterday puts the Government in a bad light. The longer you delay, the more investigative and speculative journalism there will be.

We recommend that you meet Norman Fowler and Roy Griffiths very soon and try to make an appointment by next week, if at all possible.

The attached article from yesterday's Standard is a moving example of the problems in some parts of the Health Service. It is not a story of low spending, but of sloppiness and bad standards. We not only need to act, but to be seen to act.

BRIAN GRIFFITHS

David Willetts

DAVID WILLETTS

provided a moving insight

Thoughts from my hospital bed . . .

MURIEL COHEN : fortunate to have a close family.

SPARED a reasonable quality of life and God's blessings, in five years, if I survive, I will receive a cherished telegram of congratulations from the Queen on reaching 100 years of age.

This thought passed through my mind as I lay in casualty in the Royal Free Hospital, Hampstead.

I had been in this hospital a few weeks earlier with a broken hip. Remarkably, I had survived a general anaesthetic, plating and pinning. The surgeons and nurses of Kinnel Ward were kind, dedicated and marvellous.

It was about 7 pm when my doctor's assistant was called to my flat in Swiss Cottage. I have lived there with my companion, after losing my husband 21 years ago.

Apart from appalling arthritis that has long since crippled my hands, back and hips I have enjoyed good health.

We have managed well and I have never been the complaining type. I have also been fortunate in enjoying the close and loving attentions of all my family.

As the young lady doctor bent over me, she confirmed to my son that I had very low blood pressure, was having a possible heart attack and/or was suffering from dehydration.

It seemed strange, as I lay there, how well I could hear, although normally very deaf when directly addressed. The doctor said the dreaded word "hospital." There was some discussion — and argument — my son had wanted me to go to St John's and St Elizabeth's Hospital but the doctor said there would be no team available and that I might not last the night.

Doctors too busy

The ambulance arrived fast enough and we were in casualty by 8.30 pm, the doctor having warned them of my arrival. The words grated on my brain — "the doctors are too busy in the wards said the casualty sister. I could hear my son gently remonstrating — to start with.

Others had waited longer, it appeared. Everybody took their turn. A heart condition took no priority over a twisted ankle. Was this really the same hospital which had been so compassionate?

I lay there, uncomfortable and unattended. Promises were made—none were kept. At 10.45 p.m. I heard my son snap. He raged at the sister because of the lack of attention. It seems that this was no isolated case but usual practice.

There was some talk of no overtime being granted by administration for the hard-pressed doctors, The doctors had to work the wards as well as casualty. Casualty came last at the discretion of the casualty sister in charge and the degree and nature of the emergency in question.

It appeared to me that I was lying on the sacrificial high altar of political strife and what remained of my frail body was torn between trained medical people and administration bent on saving money.

The door opened like magic and the assistant registrar and a young lady doctor emerged with a large posse of students. Laughing and joking, they nonchalantly spilled into casualty. They had indeed been around the wards, I thought. At 11.15 p.m. I was seen, just after the man who had been lying near to me with a heart attack since 7.30 p.m.

Difficult to swallow

X-ray, a drip, an electrocardiograph and examination followed. My son was asked to help with the electrocardiograph — they were short of nurses. I resented this; I know I am old-fashioned and felt anger that he had to be involved and that I was here at all.

A little later I heard him say to the young doctor that my hand had turned black and her say "so it has," as she went on writing. My son found a nurse and the over-tight drip, so designed to prevent me from pulling it out, was released. The colour in my hand normalised.

It was not until 1 a.m. that I was positioned in a ward.

Later that week the doctors talked over me; I heard them say that there were a lot of people outside who needed my bed and who had not reached the age of 95.

The doctor said : "It's a good age, you know, and she's had a good life." How do they know, I wondered, and I thought—Is my age a crime now?

My son continued to visit me each evening, and my daughter in the afternoon, as they had done for the five weeks previously, and gave me food which I could eat. I found it difficult to swallow and the hospital food was frightful but I gather they pay their kitchen staff too little wages.

They had also lost my hearing aid before I left Kinnel. One minute it had been on the table and next, swept away by the cleaning lady. How I longed for my hearing aid ! Some two to three months, they said, and if you had spectacles and broke them, it would be just the same.

At last I was to be moved—but still another hitch. The specialist had agreed to let my records go with me to the St John's and St Elizabeth's Hospital, St John's Wood, where I was to be transferred and where I had also been previously with tummy problems. Now they refused me these records.

I heard them say it was not NHS policy to hand records over to another hospital as they belonged to the Secretary of State. My son said, "There is always a first time." I was transferred and my records came too.

Leaving Kinnel Ward, two of my elderly companions were also being discharged. It was bitterly cold outside. My son had asked to escort me and had been told to be at my ward by 9 a.m. Just before noon, my two companions were removed and we said our farewells. It was not until 3.50 p.m. that a porter collected me and I was taken down to the entrance hall.

To my amazement, my other two companions were still there, together with numerous other dischargees. I was put with the others right in front of the ever opening swing doors. The cold was frightful after the ward temperature.

My companions had been without drink, lunch or toilet all that time. My son was furious and, upon remonstrating with an ambulance man, was told that his mate was still at lunch! He volunteered to put me into the ambulance if my son would help. At least I would be warm there.

I was moved into the ambulance and strapped in with thick leather belts. My son asked to sit with me but was not allowed. He stood outside the window and I went to sleep. An hour later, with me in the ambulance and out of all communication, I awoke as others were loaded in and we were finally on our way, just before 5 pm.

After my transfer with gentle, dedicated care, my stomach responded and I was rehydrated little by little.

I returned to the satisfaction and the sanctity of my own bed and now, if I am finally to meet my maker at 95 years of age, I can do so with the knowledge that it is God's will.

Is it unreasonable that those who have been the survivors of this long battle should be given the best that this impoverished nation can afford and not the least?

Yes, Mrs Thatcher, I can use what may well prove to be my dying words and with the authority of having lived through the Boer War, the Great War and the Second World War, as well as the reigns of six monarchs, to acclaim with all my heart and soul—your Queen and country needs you, Mrs Thatcher, and your elderly and sick demand better treatment because, but for the grace of God, there go you . . .

□ *Muriel Rebecca Cohen, died on January 28, 1986. The article was written from her notes, edited by her son, Clive S. M. Cohen.*

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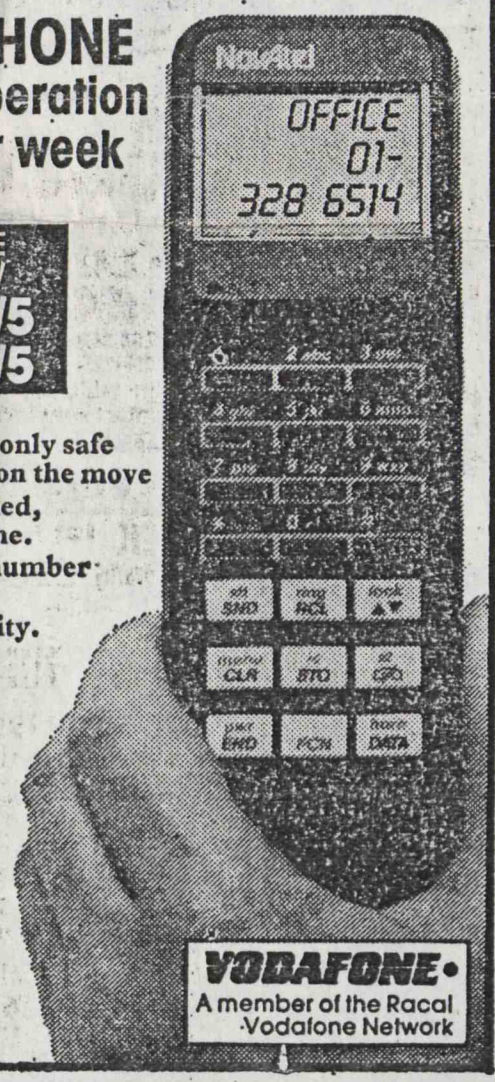

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Scottish Question Time

3.33 pm

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): On a point of order, Mr. Speaker. On previous occasions some of my colleagues have asked you to take account of the fact that, in comparison with other Question Times where, government members are in excess, at Scottish Question Time there are twice as many Scottish Labour Members as Scottish Tory Members. On this occasion, Scottish Tory Members have tabled only one question, and that was by the hon. Member for Dumfries (Sir H. Monro) who was not even present. In addition——

Mr. Speaker: Order. I did exactly that today. If the hon. Gentleman looks carefully at *Hansard* tomorrow, he will see exactly what happened.

Mr. Foulkes: I am grateful to you, Mr. Speaker. I was about to conclude by saying that in addition to that there were only six Tory Back Benchers present. I shall look at *Hansard* tomorrow but I was counting up. For example, the hon. Member for Stirling (Mr. Forsyth), who did not table a question, was called on three or four occasions.

Mr. Speaker: Order. That is my discretion. However, if the hon. Gentleman looks at *Hansard* tomorrow, he will find that Opposition Members were called much more frequently. It is always my endeavour at Question Time to call those hon. Members who have questions on the Order Paper if they can be broadly linked. Furthermore, I endeavour to give everyone an opportunity of being called at least once.

Mr. Bill Walker (Tayside, North): On a point of order, Mr. Speaker.

Mr. Dennis Canavan (Falkirk, West): Further to that point of order, Mr. Speaker.

Mr. Speaker: Order. I shall take Mr. Bill Walker's point of order first.

Mr. Bill Walker: Mr. Speaker, can you confirm that when the House is taking questions on what are considered to be United Kingdom matters, Conservative Members expect the questions, quite properly in my view, to go from one side to the other and that is what happens? No cognisance is taken of the fact that there are many more Conservative Members present during what could be called United Kingdom questions, yet, unlike what the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) is calling for, no allowance is made for that.

Mr. Speaker: Order. I do not propose to enter into a debate with the House on how I call hon. Members at Question Time.

Mr. Canavan: The hon. Member for Eastwood (Mr. Stewart) was not present to answer questions this afternoon because, as I understand it, he is in Mexico for the World Cup finals. In view of the fact that the hon. Member if not only the Scottish Minister for sport but the Scottish Minister for industry, with a track record of scoring own goals against Scottish industry, can we have an assurance that he is in Mexico simply as a spectator and not as a replacement for Kenny Dalgliesh?

Mr. Speaker: Order. I think that we should move on.

Mr. Victor Paige

3.36 pm

Mr. Frank Dobson (Holborn and St. Pancras) *(by private notice)* asked the Secretary of State for Social Services if he will make a statement on the resignation of Mr. Victor Paige from the chairmanship of the National Health Service Board.

The Secretary of State for Social Services (Mr. Norman Fowler): In October 1983 I announced that the Government accepted the recommendations of the NHS management inquiry, under the chairmanship of Sir Roy Griffiths, that general management should be introduced into the NHS, and that a board should be set up within my Department to be responsible to Ministers for the Department's functions in relation to the management of the NHS.

Mr. Victor Paige took up appointment as chairman of the board, and as second permanent secretary within my Department, on 2 January 1985. His contract was for three years. The board was established in April 1985 and contains members drawn from business, the National Health Service and the Civil Service. Mr. Paige has paid tribute to the abilities of the Board and the progress the board has already made. I should like to express my thanks to Mr. Paige for his part in that progress.

I confirm that substantial improvements have already been made in the efficient management of the NHS. Those achievements reflect great credit on the Health Service itself, including authorities, managers and staff, and on the direction and leadership which the service has had from my Department.

As the House will be aware, Mr. Paige has resigned his position as chairman of the management board. He discussed his intention with me, and we agreed that it would be right for him to stand down. I have published in full the exchange of letters between us in which Mr. Paige explained his reasons. There is nothing that I can add to what he has said and my reply. I have therefore appointed Mr. Len Peach, who is the board's director of personnel on secondment from IBM, as acting chairman of the board. I shall make a substantive appointment as soon as possible.

The Government remain fully committed to better management of the National Health Service. I have every confidence that, under the leadership of the management board, health authorities and their general managers will continue to ensure that more and better care is provided for patients and that the best value for money is obtained.

Mr. Dobson: The statement raises more questions than it answers.

Will the Secretary of State tell the House precisely why Mr. Paige gave up his £70,000 a year job in mid-contract? Did he jump, or was he pushed? Was he pressed for too many or too few cuts? Does his departure leave in tatters the policy of bringing private bosses into the National Health Service? Is it true that, in the past two months, three similar appointees have resigned as district managers — three out of the 25 outsiders? Is it true that the business genius who was appointed to head an audit into value for money in the NHS has just gone bankrupt to the tune of £300,000?

Does the Secretary of State agree that his policy is wrong, or is it just that he is a bad judge of people? Will

The Solicitor-General for Scotland: I meet procurators fiscal from time to time to discuss various matters, including the 1980 Act, but no particular meeting is planned to discuss evidence under part I.

Mr. Maxton: Does the Solicitor-General remember, when he was a mere Back Bencher serving on Committee of that Bill, that his right hon. and learned Friend the Secretary of State, then a junior Minister, promised that there would be research into the working of detention powers? Is it correct that that research was carried out and that a report was produced in March 1985 which went to the Association of Chief Police Officers (Scotland) which demanded that it be repressed and that no further research be carried out? Will he now ensure that that report is published?

The Solicitor-General for Scotland: That is a searching and compelling question, but it is inappropriately addressed to me. It is for my right hon. and learned Friend the Secretary of State.

Police (Complaints)

26. **Mr. Foulkes** asked the Solicitor-General for Scotland how many complaints against the police in Scotland have been referred from procurators fiscal to the Lord Advocate for advice or decision.

The Solicitor-General for Scotland: To date this year, 142 cases of complaints against the police have been reported by regional procurators fiscal to Crown Office for consideration by Crown counsel. In 1985, 493 cases were reported. Such cases are seen by me and occasionally by my noble and learned Friend the Lord Advocate.

Mr. Foulkes: I am most grateful to the Solicitor-General for that reply. Will he give serious consideration to an examination by his Department into whether the police are referring to the procurators fiscal complaints which have nothing to do with the alleged offences? When the procurators fiscal say that they will take no action, it gives some spurious exoneration to the person under complaint. If that examination shows that that is the case, will the Solicitor-General give further consideration to the possibility of an independent complaints procedure for complaints against the police, in which the Scottish public would have much greater confidence?

The Solicitor-General for Scotland: The hon. Gentleman raises a serious and difficult matter. There are occasions when the police cannot immediately identify a complaint and when it would be inappropriate for them to reach a conclusion on whether it is purely a disciplinary matter or one which contains an allegation of criminal conduct by the police. Clearly, in those circumstances they tend to veer on the side of caution. They certainly put some cases which do not have a criminal content to procurators fiscal and the Crown Office. I am not sure that that causes the difficulties that the hon. Gentleman mentions, but I am prepared to look into the matter.

Mr. Fairbairn: Will my hon. and learned Friend confirm that all complaints against the police are reported to a Law Officer and are scrutinised by him, or his noble and learned Friend the Lord Advocate, so that the highest consideration is given to any complaint of alleged abuse by the police?

The Solicitor-General for Scotland: Yes, I can confirm that matters have not changed and the policy has not been altered since my hon. and learned Friend held these responsibilities. Not everyone is involved if it is only a matter of a possible breach of disciplinary code within the police. Furthermore, if it is a complaint which clearly has no substance, then it is not reported to Crown counsel or to one of the Law Officers. Otherwise, as I said, a considerable number of complaints are personally examined by me or by my noble and learned Friend the Lord Advocate.

Dr. Godman: Of the 400 or so complaints, how many originated in Greenock and Port Glasgow, and of those how many led to disciplinary or criminal proceedings being taken?

The Solicitor-General for Scotland: The hon. Gentleman has me at a loss. I am not able to tell him immediately what the Greenock and Port Glasgow figures are, and I cannot tell him how many of them resulted in disciplinary proceedings because the pursuit of disciplinary proceedings would be a matter for the assistant chief constable and the chief constable rather than myself. Those instructions would come from me only if there was a decision to proceed with criminal proceedings against a police officer.

Mr. Henderson: Does my hon. and learned Friend accept that while one wants to see complaints made against the police properly and fully investigated, it is equally important, when frivolous or malicious complaints are made, that the full rigour of the law is taken against people who distract the police and other officers of justice from their proper duties?

The Solicitor-General for Scotland: Yes, indeed. The policy is clear. If at some stage it is identified that the complaint is in any way malicious or is a wilful effort to waste the time of the police, often to secure a balance, proceedings are taken against those people who make the malicious complaints.

Procurator Fiscal (Kilmarnock)

27. **Mr. McKelvey** asked the Solicitor-General for Scotland if he plans to meet procurators fiscal in Kilmarnock to discuss matters of accommodation.

The Solicitor-General for Scotland: I have no immediate plans to discuss matters of accommodation with the procurator fiscal at Kilmarnock. His accommodation problems are well understood. The planned solution is to relocate his office in the old Kilmarnock sheriff court house once that building has been vacated.

Mr. McKelvey: Can the Solicitor-General for Scotland tell me whether the Crown Office has, therefore, approved the sketch plans for the refurbishment and redevelopment of the old Kilmarnock sheriff court? If it has done so, would he perhaps discuss with his colleague, the Under-Secretary of State for the Environment, the possibilities of Government funding to give that project the go-ahead?

The Solicitor-General for Scotland: As I said in my original answer, it is certainly the intention to relocate. That is a policy which my noble and learned Friend the Lord Advocate and I warmly support. A considerable amount of work has already been done on that; but, as the hon. Gentleman appreciates, funds have not yet been committed to it. However, we certainly want to see the project go ahead.

he now appoint someone from the thousands who have made the NHS their life's work and not appoint another rank outsider with no staying power? Will he ensure that the new person uses the National Health Service instead of relying on the private sector?

Mr. Fowler: I do not accept what the hon. Gentleman has said. Mr. Paige set out the reasons in his letter. I do not think that there would be much point in my trying to interpret further what he said. There was no question of disagreement about resources. We have 750 general managers in post, and two or three have left. That shows the confidence in the concept of general management. I think that the hon. Gentleman will concede that Mr. Paige himself endorsed the concept of general management.

Substantial achievements have already been made. Indeed, £150 million of cost improvements have been made. The concept of identifying one person as being responsible and accountable for ensuring that decisions are made and that action is taken can only be right. We have no intention whatever of turning our backs on the general management concept. That concept is in the interest of the Health Service, and it is about time that the hon. Gentleman supported it.

Mr. Robert McCrindle (Brentwood and Ongar): Although one regrets Mr. Paige's departure, is not the important point that the concept of general management is now sufficiently well established — notwithstanding Mr. Paige's decision to go—and that very few people, other than one or two Opposition Members, would want to return to the old idea of a bloated bureaucracy? Does my right hon. Friend concede that, if any lesson is to be learnt, it is perhaps that Mr. Paige's successor should be given even more support, if that is possible, in standing up to the vested interests in the NHS, who have no interest in the NHS running on a commercial basis?

Mr. Fowler: There is much truth in that, and particularly in my hon. Friend's opening remarks. The general management concept is accepted in the NHS. As the Institute of Health Service Management has said in a statement made during the past 24 hours, general management is beginning to work very well, and the NHS will provide better quality care and value for money as a result. That is why general management is important, and that is why it will and should continue.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Irrespective of one's view about the principles of general management, is there not widespread concern about the way that it is being implemented? Following Mr. Paige's unfortunate resignation, will the right hon. Gentleman undertake a review of the implementation of unit management policy? Does the Secretary of State have any intention of reviewing the new incumbent's terms of reference?

Mr. Fowler: No, I do not think that that is necessary. The managment board is carrying out an important job. It continues in post, although obviously with the exception of Mr. Paige, and it will continue to do its work. Mr. Len Peach, the acting chairman, comes from outside industry, and is a man of enormous experience. I believe that the management board will establish itself and will continue to achieve great things for the NHS.

Sir William Clark (Croydon, South): Does my right hon. Friend agree that management by committee cannot be very effective? Does he further agree that trying to manage by consensus must lead to inefficiency? Surely it is high time that we returned to a system of one person in a hospital being responsible for all management. That would be much better than having many committees, with one looking after provisions, one looking after beds, one looking after cleaning, and so on, without any one person being in charge. That is the problem in the NHS.

Mr. Fowler: My hon. Friend is absolutely right, and that is why general managers are being introduced, not just at the regional or district level, but, most importantly, as my hon. Friend said, at the hospital or unit level. That is the philosophy behind what we are doing. The concept involves identifying the person responsible and accountable for ensuring that decisions are made and that actions are taken. It replaces the old unsatisfactory system which in, for example, the Stanley Royd case might lead to great tragedies for the NHS.

Mr. Frank Haynes (Ashfield): Why does not the Secretary of State come clean? Why does he not come clean? He knows very well that Mr. Paige was not prepared to be shoved round by him and his Department. The right hon. Gentleman talked about Mr. Paige's resignation, but we need the right hon. Gentleman's resignation on the table.

Mr. Fowler: I have endured three months of the hon. Gentleman during the proceedings in Committee on the Social Security Bill and I suppose I can take a little more than that. However, his comments on the NHS are no nearer the mark than any of his comments on social security matters.

Mr. Robert B. Jones (Hertfordshire, West): I thank my right hon. Friend for his tribute to my constituent, Mr. Victor Paige, and his work in the NHS. Mr. Paige, together with my right hon. Friend and many Conservative Members, is deeply committed to the idea of general management because of the result that it has already produced. Is my right hon. Friend aware that the 25 per cent. more nurses at the Hemel Hempstead hospital in my constituency are paid for partly by the efficiency savings that have been brought about by strong general management? Will my right hon. Friend confirm that the terms of reference for the new chairman will not only be the same as those for the previous chairman, but will be redoubled in an effort to obtain efficiency?

Mr. Fowler: I am grateful for what my hon. Friend has said. We have already achieved £150 million in the cost improvement programme. That money goes directly into the Health Service and is valuable to it.

Mr. D. N. Campbell-Savours (Workington): Does not this affair show that one cannot impose the blunt instrument of commercial markets on what is effectively a social service? Why does not the Secretary of State tell the truth? Why in his reply to my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) did he stick so religiously to his brief? Why does he not tell us what really happened and what arguments have taken place in the past two months between Mr. Victor Paige and the departmental Ministers on the running of the service?

Mr. Fowler: With great respect to the hon. Gentleman, it would be——

Mr. Campbell-Savours: We know what has happened.

Mr. Fowler: We have exchanged letters on this matter. Mr. Paige has put out his reasons for resigning, and I have replied to them. We agreed that it would be right for Mr. Paige to step down.

Mr. Roger Sims (Chislehurst): Does my right hon. Friend agree that, in his letter, Mr. Victor Paige does more than endorse management principles; he warmly and enthusiastically supports them? Does he further agree that the management of the NHS is, as Mr. Paige has said, complex? Is it not inevitable that there will be difficulties in introducing business management methods into this enormous concern, which covers professional people and staff in catering, laundering, cleaning and many other activities, all of whom have traditional but inefficient practices? Is my hon. Friend aware that we shall fully support the new chairman, when he is appointed, in helping him to rid the Health Service of these practices and to achieve efficient business management within the NHS?

Mr. Fowler: I am grateful to my hon. Friend. The Health Service is a complex management job, and it employs about 1 million people. The Griffiths report recognised that complexity, and Mr. Paige's achievement has been that he has taken the management process to stage one and, in particular, to the stage when general managers have been appointed almost entirely throughout the country.

Mr. David Winnick (Walsall, North): Is the Secretary of State aware that, while people may not care too much either way about Mr. Paige, they are aware that there is insufficient funding of the National Health Service resulting in continued cuts, lengthy waiting lists and closures? Is he also aware that there is no lack of understanding on the part of the public regarding the Conservative party's attitude to the NHS? It has no genuine commitment to the NHS, and it would not stay in power for five minutes were it not for electoral reasons.

Mr. Fowler: There is nothing in the resignation of Mr. Paige to do with the question of more resources. The attitude of the Conservative Government to the Health Service is shown by the fact that we are spending £18·75 billion on the Health Service, which is a 24 per cent. real increase on what the last Labour Government spent.

Mrs. Edwina Currie (Derbyshire, South): Will my right hon. Friend take on board Mr. Paige's two comments about improving employees' commitment and the importance of management education? Does he agree that we are lucky to have a large number of committed and able people within the NHS who, with a little encouragement and a dollop of that management education, might provide the general managers of the future, whom Mr. Paige rightly regards as vital to the future of the NHS?

Mr. Fowler: That is an important point, particularly in relation to management education. The new acting chairman of the management board, Len Peach, with his experience will be well placed to implement just that.

Mr. Charles Kennedy (Ross, Cromarty and Skye): Do not the terms of Mr. Victor Paige's resignation letter to the Secretary of State make abundantly clear the Government's absolute folly when they decided to implement the Griffiths report wholesale and appoint 750 general managers throughout the country, creating this new edifice of which Mr. Victor Paige was the top point, without bothering to test the Griffiths report in pilot schemes in different health authorities throughout the country?

As the Secretary of State has laid such emphasis on the need for general management and lines of responsibility, does he not feel that what comes through loud and clear from this resignation is that, instead of decisions being taken in the front line, they were being referred more and more up the line to the Elephant and Castle and that they were falling victim to personalities and politics there?

Mr. Fowler: No, I do not think that that is the case. The concept of general management is that decisions should go down the line to the hospital and to the districts, and that is what is taking place. I have heard before what the hon. Gentleman has said about pilot schemes, but I do not think that that is a very sensible way of introducing the concept of general management into the Health Service. I certainly do not think that if we had done it that way we should have secured anything like the cost improvements that we have managed to secure under the plans and policies that we have implemented.

Several Hon. Members *rose*——

Mr. Speaker: Order. This is a private notice question. I shall allow one more question from a Member on each side of the House.

Mr. Michael Morris (Northampton, South): Is my right hon. Friend aware that, although the National Health Service management board has been in existence for just over a year, much of the best work that it has done has been in recent months, particularly in its evidence to the Public Accounts Committee? Is he able to give a commitment to the House that this work will continue with even more rapidity than before, even while we are awaiting the appointment of a new chairman?

Mr. Fowler: Yes, entirely. I am grateful for what my hon. Friend has said. The work of the management board will go on as usual. I can give him totally that assurance.

Mr. Tam Dalyell (Linlithgow): What estimable qualities other than those possessed by Mr. Paige is the Secretary of State looking for in his successor?

Mr. Fowler: We need someone with management experience and I think, above all, with a commitment to the National Health Service.

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Mr Norgrove
to see EF

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522 ext 6981

From the Permanent Secretary

Sir Kenneth Stowe GCB CVO

Nigel Wicks, Esq.,
No. 10 Downing Street,
London SW1

3 June, 1986

Dear Nigel,

I enclose a copy of the proposed press release on the resignation of Mr. Paige. The press notice will be released at 4.00pm today. Should there be any amendments we will, of course, let you know.

Yours,

Michael Kerin

M.V. KERIN
Private Secretary

86/174 3 June 1986

CHAIRMANSHIP OF NHS MANAGEMENT BOARD

The Secretary of State for Social Services, Norman Fowler, announced today that he had accepted the resignation of Victor Paige as Chairman of the NHS Management Board.

The Secretary of State has appointed Mr Len Peach, the Board's Director of Personnel, as acting Chairman of the Board. Mr Peach joined the NHS Management Board as Director of Personnel in November 1985 on secondment from IBM. Mr Paige's letter of resignation and the Secretary of State's reply are set out below:

"Dear Norman

I have been proud to be the first Chairman of the NHS Management Board, and to have played a major part in the introduction of general management into the NHS. You acted with vision and determination in ensuring its speedy implementation, and you were absolutely right.

The Management of the NHS is complex. Ministers and the Chairman of the Management Board can approach the same issue with different perspectives, priorities, objectives and restraints. The conclusions are not always compatible. Also there are always others in the action - or trying to be! Within my remit that makes for difficulties in working to the management standards and style to which I am committed. I have brought this to your notice on several occasions. You are aware that it is not working out as I believe it should. After much careful thought and with great sadness I have therefore decided to resign as the Chairman of the Management Board.

If there are any people within the NHS who, foolishly, do not support the introduction of general management and who see comfort in my resignation, then they are mistaken. The issues it relates to are about the nature and urgency of decision, not management concept. My commitment to the introduction of general management

remains undiminished. It is vital for the NHS. You are fortunate in that you now have many very able managers eager to play their full role in delivering high quality service, and none more so than the members of the Management Board. I have no doubts that the Board must continue to play a major role in the future of the NHS. I know that you will continue to give it your full support. Above all I hope it will be able to address effectively and with authority the key issues of improving employee commitment and motivation, more devolution to the Authorities within clearly defined standards of accountability and monitoring, the implementation of more effective financial management and planning, and creating a high awareness of the importance of the 'consumer and quality care'. They are at the heart of the effective management of NHS resources, and of improving its service to the nation. The Management Board has already made significant progress in these matters. Much remains to be done.

It has been a great privilege to work with so many people in all the activities of the NHS who serve with such dedicated caring concern. Oh but that it was more widely, constantly and publicly acknowledged.

Finally, my thanks to you for your friendship over the years. It has been much appreciated.

Yours sincerely

Victor Paige"

"Dear Victor

Thank you for your letter. Like you, I am sorry that things have not worked out. However, we agreed, when we talked about this, that it would be right that you should stand down as Chairman of the NHS Management Board.

The management of the NHS is a difficult and complex task, certainly one of the biggest challenges to management facing this country. We have made substantial progress on this front recently and I should like to thank you for the contribution you have made. I am particularly grateful for your help in establishing the NHS Management Board which has got off to a good and effective start under your leadership. Much remains to be done but important foundations have been laid for developing and improving the management of the health service for the future.

You and I have worked closely together over a number of years in different areas associated with Government and I shall miss your contribution.

Thank you for all your help and may I send my best wishes for the Future.

Yours ever

Norman Fowler"

NOTE FOR EDITORS

The NHS Management Board was set up within the Department of Health and Social Security on the recommendation of the NHS Management Inquiry, chaired by Sir Roy Griffiths, which was asked by the Secretary of State for Social Services in 1983 to review management arrangements for the NHS. The Government accepted the Inquiry's recommendation that the Departmental functions concerned with the management of Health Authorities should be carried out, within the Department under the existing statutory framework, under a Board constituted from the Health Service, the private sector and the Civil Service. Mr Paige was appointed as the first Chairman of the Board from 1 January 1984. The other members of the Board are:

Dr E D Acheson	-	Chief Medical Officer
Mr G A Hart	-	Director of Operations
Mr M J Fairey	-	Director of Planning and Information Technology
Mr L H Peach	-	Director of Personnel
Mrs G T Banks	-	Director of Health Authority Finance
Mr A Merifield	-	Director of Health Authority Liaison
Mr I Mills	-	Director of Financial Management
Mrs A A B Poole	-	Chief Nursing Officer
Mr D Nichol	-	Non-Executive Director

In addition, Mr D N I Pearce is Property Adviser to the Board, and Mr T Critchley is the Board's Director of Procurement and Distribution.

DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522
From the Secretary of State for Social Services

Victor Paige Esq CBE
Queen's Wood
Frithsden
Berkhamstead
HERTS

3rd June 1986

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NORMAN FOWLER

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Thank you for all your help and may I send my best wishes for the future.

Yours ever.

NORMAN FOWLER

PERSONAL

Copy 1 of 1 copies

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PRIME MINISTER

ROY GRIFFITHS

If Roy Griffiths' appointment is to work:

(i) he must be ready to accept the constraints of his position. As a Minister of the Crown, he will have power and influence within the department. But a Parliamentary Secretary in the DHSS is not a great star in the constellation, and he will not be all powerful. He cannot proceed to run the NHS as he now runs Sainsburys. There will be lots of boring constraints - Parliament, the Treasury, public expenditure, Civil Service rules, etc. He must not accept the job under any misapprehension of his role; otherwise we risk another resignation.

(ii) relations with Ministerial colleagues in the DHSS must be satisfactorily defined from the outset. What precisely is Griffiths' role to be? How are his responsibilities to relate to those of Mr. Hayhoe, Mr. Whitney and Baroness Trumpington? (What would his future position be in the department if Mr. Hayhoe was replaced in September by a young up and coming Minister of State?) In this connection, Ken Stowe tells me that the Department can justify another Minister, such is the volume of PQs, MPs cases, visiting delegations, reviews, etc. But a new Minister would need to be ready to help with this routine work. Would Griffiths be willing to help here? (He would not have this routine work and would be more free to manage if he was content to take on Victor Paige's old job.)

None of this is to argue against Griffiths' appointment. Simply to emphasise that if it is to work, there ought to be no misunderstandings on the two points above.

N.L.W.

N L WICKS

2 June 1986

How well will backbenches react to the appointment?

SL2AGV

PERSONAL

Shorn of its verbage, doesn't Para 2 mean that Mr Paige feels he has been prevented by Ministers from managing the Service in the way he thinks necessary?

What specifically is he complaining about? How has he been blocked?

It is no good your saying you don't know; Mr Paige says he has brought his difficulties to the Minister's notice. How long has this unsatisfactory state of affairs been going on?

Is it then a clash of personalities as distinct from a substantive problem?

Who are the others interfering or trying to do?

Does this mean that the Minister has in practice been impeding management andimprovements in the efficiency of the NHS?

Is it not crystal clear Mr Paige is saying that the Secretary of State is slowing down the pace of change? If so, why?

The nature of Mr Paige's letter suggests he is trying to go as quickly as possible. Is this so?

Is Mr Paige ill?

What hope have you after this of getting a top manager to take over since Mr Paige's letter demonstrates his utter frustration with Ministerial interference?

MR. WILLETTS

cc Mr. Wicks
Mr. Ingham

NHS SPENDING

In mounting a campaign to convince people about what the Government has done for the NHS we should be clear about the product we are aiming to sell. Why is the gap between perceptions and the spending figures so large?

The problem may be in large part a matter of rising expectations outstripping the public sector's ability to provide resources at sensible levels of taxation. But it would be worth looking in greater detail at the figures. I come to you for these rather than going to the DHSS, for obvious reasons.

We quote a 24% increase in real resources since 1979. Some questions:

(i) How much of this has gone on real increases in pay?

(ii) Do we have any information on how NHS prices have moved in comparison with the GDP deflater which is the basis of the 24% figure?

(iii) Can we make an allowance for the extra costs imposed by the reductions in hours for nurses and doctors?

(iv) How much of the real growth has been absorbed by changing demography?

(v) Is there a geographical problem, when RAWP is taken into account in conjunction with the factors listed above?

You will see that Ian Aitken has arrived at some of these points in his article in today's Guardian - page 19.

(David Norgrove)

2 June 1986

Mrs Thatcher's rose tinted spectacles

COMMENTARY
Ian Aitken

WE MUST be grateful for all mercies, whether large or small, and it is clearly a matter for widespread rejoicing that Mrs Thatcher has at last bought herself a new pair of specs.

Never mind that her own government's policies probably meant that she had to get them privately. It is enough that she is now able to see what the rest of us have known for some time — namely, that Britain is fast becoming the scruffiest and most run down nation in the Western World.

But we can allow ourselves at least two reflections on this sudden conversion to empiricism. The first and most obvious is that the visibility through the bullet-proof windows of the Prime Minister's official Jaguar is a pretty poor basis for deciding the overall direction of public policy.

The other, however, is rather more fundamental to the present plight of Mrs Thatcher and her government. For it involves the increasingly bizarre contrast between what ordinary people perceive as the reality of their everyday lives and what ministers keep trying to tell us is going on.

We had an interesting illustration of this ever sharpening contrast last week, when Chancellor Lawson (a prime example of a through-the-looking-glass politician) assured City businessmen that, in spite of the evidence the boom he invented some time ago was really still going on. This was in spite of the fact that unemployment is once again on the increase and output is stagnant.

It is at least arguable that telling the electorate it is either blind or daft is counter-productive, even if the figures you are using are arithmetically correct. What cannot be a matter for argument is that a consumer "boom" based on pay settlements which outstrip productivity is not a matter for boasting, least of all from a chancellor with Mr Lawson's views.

But if we stick with the contrast between what ministo *say* is happening and what ordiary people *believe* is happening, there can surely be no more puzzling example of an unbridgeable gulf than the long running controversy about the true condition of the National Health Service.

Day after day the correspondence columns of what used to be called the Top People's Newspaper have been filled with horror stories from top consultants about hospital cuts and deteriorating services. They have been backed by expressions of sentimental loyalty to the NHS from Very Grand People indeed.

But, at the same time, ministers from Mrs Thatcher downwards have been drowning us in statistics designed to prove that the NHS has never been better funded, that more patients than ever are being treated, and that all the criticisms are either ignorant or malevolent.

This abiding paradox was taken up last week by no less an authority than the Economist magazine, which headlined its account (complete with three graphs) with the catchy, if not wholly objective legend: "The health crisis that isn't." After bombarding its readers with figures, it went on to declare that "most of the statistics bandied about in the NHS are misleading."

But misleading or not, the Government's case against all those alarmist stories about hospital closures, ward closures, lengthening waiting lists and staff shortages is essentially based on those same figures. What Mr Norman Fowler, the Secretary of State, repeatedly tells his critics is that the funding of the NHS has increased since 1979 by no less than 24 per cent, after allowing for inflation.

That is undeniably a formidable increase, and ministers support it with additional figures. They purport to show that the number of patients treated has increased by approximately the same proportion, and that the number of people employed by the NHS has almost doubled in a decade.

So what is the ordinary taxpayer (who is also the ordinary patient, and in many cases the ordinary NHS employee) to make of all this when Opposition MPs, not to mention quite a number of worried Conservative backbenchers, tell an entirely different story? Is Mr Fowler a liar? Or do Mr Michael Meacher and Mr Frank Dobson, Labour's two hyperactive spokesmen on health, deal exclusively in dud statistics?

Attempts to explain away the difference without resorting to libellous accusations of dishonesty on one side or the other have hitherto concentrated on complex demographic arguments about things like the ever increasing number of old folk, with their disproportionate demands on health and welfare services. But even this cannot explain how an increase of a full quarter in the total allocation of resources has resulted in a deterioration in services.

So how are we to penetrate this statistical fog? Just a glimpse of a way through was offered by Mr Fowler's deputy, Health Minister Mr Barney Hayhoe, in a speech to NHS analysts last month.

Mr Hayhoe revealed that, within the undeniable 24 per cent increase in overall resources since 1978, the increase for primary health care (i.e. GPs, dentists, etc.) had been no less than 35 per cent. He conceded that this inevitably entailed that the increase for hospital services had been very much smaller. He put it at only 20 per cent.

But the minister then brought into the argument the concept of RAWP — the complex system by which resources are re-allocated between "rich" areas like London in favour of "poor" areas like Trent and East Anglia. This had meant that London hospitals had had only 13 per cent more funds, compared with 27 per cent elsewhere.

Once one starts on this sort of calculation, however, others suggest themselves. Take, for example, the fact that a large chunk of the original 24 per cent increase in resources went in higher NHS pay resulting from awards made by Labour's Clegg Commission in 1978/9. These sums were paid by the incoming Tory goverment in the period up to 1981/82, with the inevitable consequence that the increase in total resources shelled out between 1981 and 1986 has been very much smalier.

Indeed, the increase is a mere 5 or 6 per cent for the entire period from 1981 to 1x86. And since the recent Tory byelection panic over health spending has meant that this year's increase alone has bee n2.8 per cent, it follows arithmetically that the increase over he whole of the preceding five years can only have been about 2.5 per cent, or just half of 1 per cent for each year!

Now that is pretty small beer, compared with the grandiose claims of Mr Fowler to be Whitehall's Mr Big Spender. But it is even more pathetic when one takes RAWP into consideration. For if RAWP ensured that places like Trent and East Anglia were doing relatively well in the lean years between 1981 and 1986, London must have been doing very badly indeed.

And so a study of the figures confirms. For they demonstrate that the Thames regions have actually *lost* revenue, in real terms, to the tune of 2 per cent. Moreover, RAWP reallocation between inner and outer parts of London entailed that socially deprived Inner London did substantially worse even than that.

Moreover, it is widely accepted that, owing to the demographic changes already referred to, the NHS requires at least 2 per cent a year *more* in real terms simply to stand still. Any region whose funds are actually shrinking over a period of years must therefore he in serious trouble.

But London is not just "any region," since it contains a massive preponderance of the country's medical teaching institutions, whose funds come from the NHS rather than from the education budget. What is more, its inner city areas are among the most run down in the land.

In other words, it is not as difficult as we imagined to reconcile public perceptions of the crumbling state of the health service with the utterances of Mr Fowler and his Cabinet colleagues. Our eyes do not deceive us. But Mr Fowler is not telling lies, either: well, not quite.

As for the practical significance of all this, I make one unqualified prediction, and place one confident odds-on bet. I predict an early alteration in the principles on which RAWP is currently founded, which will be wholly in favour of London.

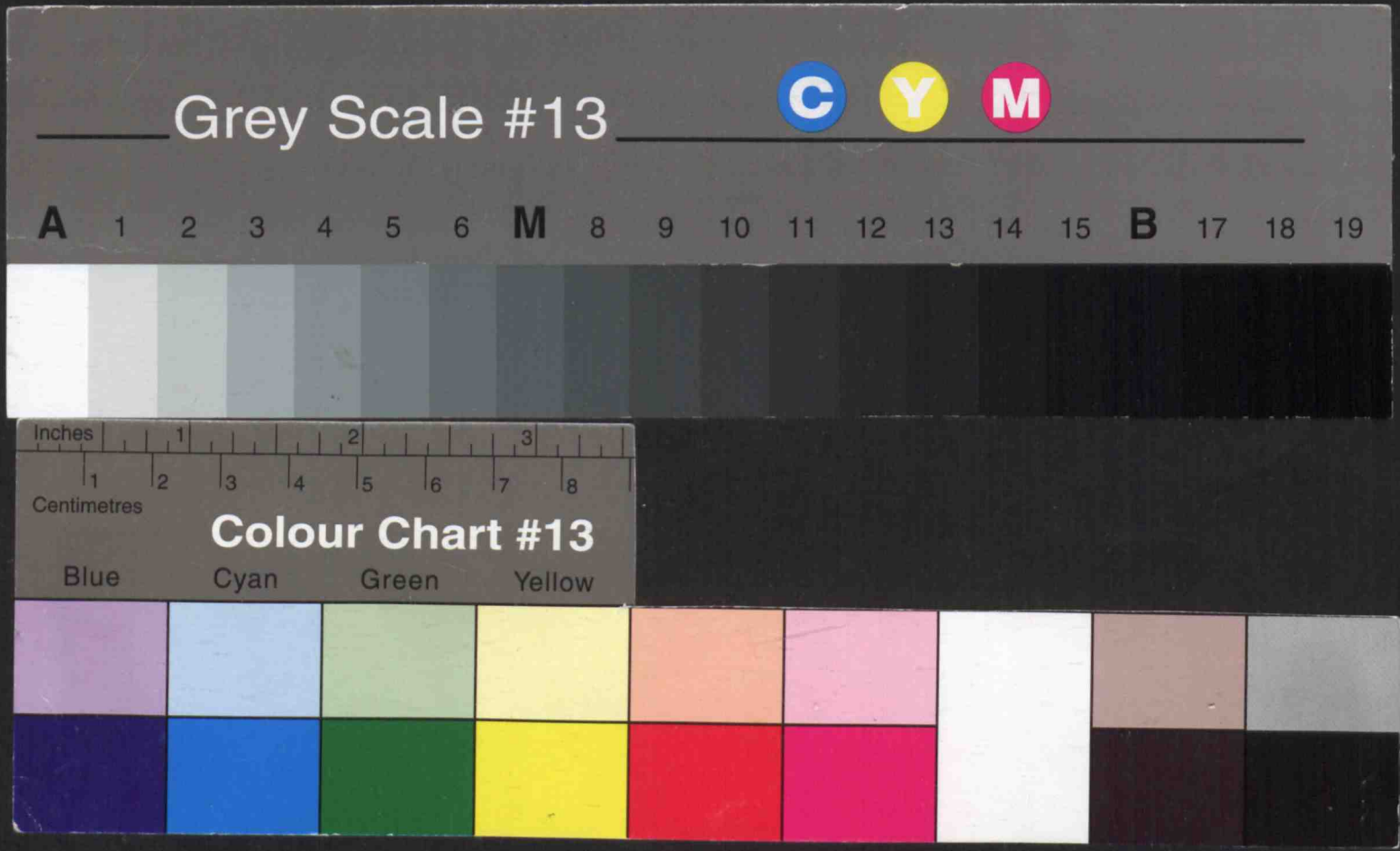
And I put my money on a significant increase in NHS resources in this year's public spending review. As one senior minister remarked: "If we don't, we are doomed."

PART 4 ends:-

NLW to PM 39 ~~25~~ 5-86

PART 5 begins:-

DRN to D. Willetts. 2-6-86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