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From the Secretary of State for Social Services

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I have been talking to DHSS
about the followup to your visit.

They will let you have
notes on Milton Keynes
and surplus land disposal. It
will be for Mr Jenkin to pursue
the topic of small hospitals

28 September 1979

and the tapping of local
voluntary and commercial resources.
Content?

MS 5/10

Dear Nick,

Yes

I promised to put on paper for you the points of which the Department is taking note following the discussions on policy during the Prime Minister's visit on Wednesday. They are as follows:

- (1) Hospital Development in Milton Keynes. The Prime Minister reported the representations made to her by the leaders of the Corporation about the decision to turn the existing small hospital into a geriatric unit and the adoption of an 'Oxford Design' hospital for the new hospital development. The Corporation had said that it was ready to contribute from its own resources to the development of a hospital if they could influence its design and content.
- (2) Disposal of Surplus Land. The Prime Minister urged the Department to make faster progress in the discussions on arrangements to enable local hospital authorities to benefit from the disposal of land surplus to NHS requirements.
- (3) Child Benefit. It was agreed that it was important to keep the relative value of child allowances for those in employment and those on supplementary benefit under close review to ensure that disincentives to work are not created.
- (4) Simplification. The Prime Minister said that the Department should be prepared to look at radical changes in considering means of simplifying the social security operation including, for example, the necessity of keeping detailed records of all National Insurance contributions.
- (5) Industrial Action in the Civil Service. The Government might need to consider escalating industrial disputes by bringing in people from outside to prevent small numbers of staff in key installations (eg computers) exercising their power to frustrate Government policy. This and other aspects of civil service trade union action aimed at preventing Government from carrying out their declared policies would be discussed in E(CS).



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(6) Hospital Policy. The Prime Minister emphasised the need for the Department to review policy on small hospitals, such as Chorley and Cowley Road, threatened by the development of large general hospitals. In looking at plans for closure, special attention should be paid to, among other things:

(a) the importance of many small hospitals as a focus for voluntary work in the community. The willingness of most communities to support their local hospitals both financially and through voluntary work should be used and fostered;

(b) the views of local people whose money was being spent by health authorities.

Perhaps you would let me know if you have any additions or amendments to suggest on these points.

Yours sincerely

D BRERETON
Private Secretary