



SUBJECT cc MASTER.

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From the Private Secretary

THE NATIONAL HEALTH SERVICE

The Prime Minister this afternoon met the Minister for Health and Sir Roy Griffiths to discuss the current campaign about the state of the National Health Service. Mr Norman Blackwell, No.10 Policy Unit, was also present.

The Prime Minister said she was disturbed by the way in which very substantial resources going into the Health Service appeared to be producing such poor results. The results might well have been better had those same resources been employed in the private sector. A survey carried out for the South East Thames Regional Health Authority had suggested that low pay and housing problems were not the main reasons that nurses in South East England were leaving the NHS. Nurses had instead pointed to the need for more management support, more training and for genuinely flexible working hours. Moreover, a Sunday Times article yesterday had indicated that there were far more nurses in relation to the rest of the population than in other major industrialised countries. 490,000 nurses for a population of 55 million surely had to be enough if the Service were properly managed.

The Minister for Health questioned whether the figures published in the Sunday Times were correct. Those published by the World Health Organisation showed a substantially lower ratio for the UK. The lower ratio of doctors to the population had also to be taken into account. Comparisons of cost between BUPA and the NHS should be treated with some care: BUPA for example did not cover the Family Practitioner Service.

Other points made in discussion included the following.

- i. Much of the increase in provision for the NHS in 1988/89 would be absorbed by the rising numbers of old people and higher pay and prices. On the other hand, there was very substantial scope for

improved working practices. The stance taken by the BMA and the Royal College of Nursing had led to conservatism and inflexibility. The overlap between nursing shifts could for example amount to as much as four hours.

- ii. All western countries were facing pressures on their health provision and indeed there was some envy of the UK system. In the United States for example costs in private insurance had risen very rapidly. The UK compared well in terms of productivity though there were some areas where the quality of care was not as good as in some other countries.
- iii. It made no sense that London Weighting was covered by the Whitley Council rather than by the Review Bodies.
- iv. Absenteeism appeared to be a real problem for some areas of the NHS. Figures for this were not however collected centrally.
- v. The hospital building programme could in some cases help to reduce costs, by amalgamating a number of smaller hospitals. It was however open to question how much further this programme should be carried.
- vi. Every effort must be made to gather information which could be used to rebut attacks on the performance of the Health Service and the Government's record in support of it. This might include:-
 - figures for staff turnover in the NHS by comparison with other large organisations;
 - comparisons of efficiency as between the public and the private health care services;
 - the case of Moorfields, where money had been allocated for a waiting list initiative but patients had not been transferred to it from waiting lists elsewhere;
 - material gathered from health authority newsletters;
 - frequent collection of statistics of numbers of operations.

Concluding the discussion the Prime Minister invited the Minister for health to set in hand collection of the information mentioned above. Particular stories run by newspapers had to be tackled very firmly. It should be possible for the DHSS to discover quickly the basic facts on such stories and where appropriate urgently to send in a top level team of perhaps three or four people to investigate

them as part of a wider investigation of the performance of the particular area concerned. A proposal for such investigative teams should now be rapidly worked up. In the longer run there was a clear need to ensure that hospitals and medical staff secured funding only on the basis of the care they provided. Their funding should not be provided automatically. It was noted that the information necessary to run such a system was now being gathered.

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