



Prime Minister. ©  
I have asked DTHS for  
a quick reply.  
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cc Polibral  
cc Question  
cc ✓ Press  
cc PM box.

HOUSE OF COMMONS  
LONDON SW1A 0AA

The Office of the  
Leader of The Opposition

1 March 1988 *mf*

*Dear Prime Minister,*

You will know that today the Social Services Select Committee has published its report on Resourcing the National Health: Short Term Issues. The Report, as you will also know, confirms what has been said on both sides of the House of Commons and by people at all levels of the health professions who have described "a crisis of underfunding" in the National Health Service.

You have denied the existence of such a crisis but there can now be no doubt about the seriousness of the financial situation or about its cause. Nor can there be any doubt about the fact that it is necessary to make major additional sums available to the NHS in order to put the service on a sound financial basis.

In the Labour Party we welcome each of the recommendations of the Select Committee.

I want to ask you, however, whether you will act to implement those recommendations:

Will you now commit yourself to "fully fund all NHS pay awards in 1988-89" agreed by your Government in relation to all health workers.

Will you now guarantee that NHS allocations to the health authorities be increased to ensure that, on an annual basis there will be a 2% real increase each year for demography, new technology and meeting government priorities.

Will you make good the shortfall of £95 million in the funding of pay and prices in the current financial year, 1987-88?

Will you now provide that tranche of £1 billion beginning in the coming financial year as a first step towards making good the shortfall of £1,896 billion sustained by the NHS and its patients?

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Will you now pay urgent attention to the development of improved measurements of the effectiveness of the NHS?

There is no longer any doubt that you have deliberately underfunded the NHS to the point where these recommendations, identified by a Select Committee with a Conservative majority, must be put into effect if the NHS is to meet the demands made upon it.

It is obvious that if you refuse to meet these recommendations, or if you prevaricate by waiting for the outcome of your private "review" only one conclusion will be drawn and that is that this Government is prepared to let the health service continue in crisis, with all of the effects on patient care, staff morale and service efficiency which that brings.

I see that the Secretary of State has already made a response to the Select Committee today. His claims that the Committee wants to "throw an arbitrary £1 billion at the health service now" when your Government has "already committed more than that for the coming year" are both false. As you know, there is nothing "arbitrary" about the Select Committee figure of £1 billion. It is based on realistic and reputable calculations made by two successive Select Committees and the Committee recommend that this sum is targetted at specific objectives. The figure of £1 billion is proposed as an addition to 1988-89 funding which, without a significant increase, will certainly result in deficits for the health authorities, just as a budget calculated on the same basis did in this financial year.

I trust that in your reply you will not be repeating John Moore's superficial and misleading response to the Select Committee and will instead concentrate on the specific and reasonable recommendations of the Committee.

*Yours sincerely,*  
*Neil Kinnock*

Neil Kinnock

The Rt Hon Margaret Thatcher MP  
Prime Minister  
10 Downing Street  
London SW1