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DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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From the Secretary of State for Social Services

Eric Mack 2

SECRET

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20/5*

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON
SW1A 3AG

16 May 1988

*Sounds a very dubious
proposition to me
mf*

Dear Nigel,

HEALTH INDEX

attached

Thank you for your letter of 21 April about our work on the development of a health index.

The basis of the health index would be a portfolio of health indicators. My Chief Medical Officer is at present carrying out a feasibility study of how these might best be established, which will come to me shortly. It would clearly help me in assessing the outcome of this in relation to our overall policy objectives for your officials to be involved. So I welcome your suggestion that they should be.

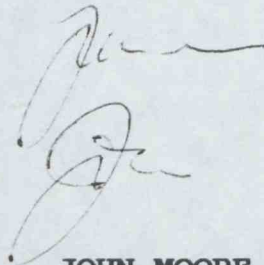
Assuming that we are able to establish a firm technical base for measuring the nation's health, my clear view is that we should use that measure. For any Secretary of State for Social Services, and indeed any Government, to exercise effective stewardship, they have to be in a position to assess the nation's health and so be better able to take an informed view of the priorities for action in health and related fields. Of course, we must not do so in such a way as to generate pressure for expenditure that is unjustified. But we are bound in any event to have to reach difficult decisions on priorities, knowing that resources are finite. That is why I have been careful, as you say, to emphasise the realities of resource constraint.

E.R.

Why?

It would not be practicable to remain silent on this issue until we have completed the technical assessment. I will need to deal with it, for example, in my evidence to the Social Services Committee. But I will continue to refer to it in a way which makes it quite clear that neither I nor the Government at large will be committed to the use of a health index based on a portfolio of indicators until we are satisfied it is a practical proposition. The work on this, incidentally, pre-dated the NHS Review and what I have said has not associated it in any way with the Review.

I am copying this letter to the Prime Minister.



JOHN MOORE

NAT HEALTH: Expend.

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