

7(a-b)<sup>a</sup>  
cc R/p

PRIME MINISTER

22 NOVEMBER 1988

REVIEW OF THE NHS

DECISIONS SO FAR

Richard Wilson has presented a very clear paper on the decisions taken so far. Yet there are a number of key issues discussed in previous ministerial meetings not reflected in the note.

Para 7. Self-governing status

The paper states that 'only those hospitals which are capable of exercising full, devolved responsibility will be ready for self-government.'

This is a recipe for no self-governing hospitals. Devolved responsibility will not be attained until hospitals can settle the pay and conditions of its staff and also to own the assets. Yet pay flexibility and asset ownership are fundamental powers of self-governing hospitals. This is a CATCH 22 situation. Regions will need to be more flexible in recommending self-governing status if we are to achieve real reforms.

Para 10. Timetable

A member of the NHS Management Board should take responsibility for achieving a specific target of self-governing hospitals within a set time frame (say 40-50 by 1993).

Para 18. GP Budgets

Roy Griffiths suggested that groups of small GP practices could form an affiliation for the purposes of managing their

elective surgery budgets, provided they could achieve a list size of at least 11,000 patients in aggregate.

Para 22. NHS Management Board

As suggested in the Financial Times the other day, reforms will be ineffective without changes at the centre. Kenneth Clarke has still not clarified the specific division of responsibilities between the proposed executive committee of the Board and DoH officials.

SUMMARY OF KEY POINTS

- Para 7. Self-governing hospitals will not be introduced this century if we follow this statement.
- Para 10. A member of the NHS Management Board (not a DoH official) should take on responsibility for achieving a specific target for numbers of self-governing hospitals.
- Para 18. Small practices could form affiliations for the purpose of managing their elective surgery budgets.
- Para 22. Kenneth Clarke should spell out the division of responsibilities between the new NHS Management Board and DoH officials.

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