From: THE PRIVATE SECRETARY

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cc R Wilson a-f

NORTHERN IRELAND OFFICE
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Paul Gray Esq
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20 December 1988

Dear Paul

NHS REVIEW

I attach a draft section on Northern Ireland to Chapter 10 of the White Paper.

The draft does not recap the conclusions of the White Paper. It only addresses distinctive Northern Ireland issues, which largely reflect the contents of my Secretary of State's recent minute to the Prime Minister.

The draft section has been prepared without sight of the full draft White Paper. It may therefore be necessary to amend it when the full text is available. In particular my Secretary of State would wish to ensure, as far as possible, the contributions from Scotland, Wales and Northern Ireland are broadly consistent in terms of both content and length.

I am copying this letter and enclosures to Alex Allan, Andy McKeown, David Crawley, Stephen Williams, Carys Evans, Mary Grafton, Sir Roy Griffiths in the Department of Health, Professor Griffiths and Mr Whitehead in the No. 10 Policy Unit and to Mr Wilson in the Cabinet Office.

Yours sincerely

Mike Maxwell

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## CHAPTER 10: HEALTH SERVICE IN SCOTLAND, WALES AND NORTHERN IRELAND

### NORTHERN IRELAND

#### Introduction

10.1 The Government is determined to provide in Northern Ireland cost-effective health services responsive to the needs of patients. It intends the more productive use of resources to speed up the achievement of the objectives in its regional strategy. These are to encourage people to improve their own health, to streamline acute hospital services and to develop care in the community.

10.2 In Northern Ireland, health and personal social services are managed by four Health and Social Services Boards. The Department of Health and Social Services is responsible at regional level for policy, strategic planning and resource allocation. These arrangements have brought real advantages to the joint planning and delivery of services. The Government intends to build upon these by further improving the quality of care and concentrating on management performance.

10.3 As elsewhere in the United Kingdom, service to the customer will be enhanced and competition encouraged. Customers will be informed by the publication of guides to the services available in individual hospitals and GP practices, including such details as expected waiting times for first appointments, diagnostic tests and inpatient treatment, and the availability of optional extras. Better co-ordination of hospital and community services will also

result in a higher quality of individual care. The Government's principal objective is to show real improvements in service for every patient. The Department also calls the Boards to account for their plans and expenditure.

More Effective Management

10.4 There have been General Managers in the Boards at area level since 1985, while Units are still managed by Unit of Management Groups. Boards have recently completed detailed management audits which show that further decision making should be pushed down to the local level.

10.5 The Government believes that management at local level would now support, and to be fully effective requires, the appointment of Unit General Managers in major acute hospitals. These complex institutions increasingly need a management focus capable of securing the co-operation and support of the various professional groups on whom the successful implementation of effective change depends. Similarly, within the psychiatric field the process of change from institutional to community care needs more effective leadership. Community services, including the social services, are delivered on a highly localised basis. Their management therefore does not face the same problems as occur in large and complex institutions. No change will be made in their management in advance of decisions on the organisation of community care nationally.

10.6 Boards will now be asked to review their structures and to submit proposals on these lines.

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10.7 The Government welcomes the increasing willingness of hospital consultants to assume managerial responsibility. The Government is providing financial and technical support for resources management initiatives under way at the Royal Victoria and Tyrone County Hospitals, and wishes to see such systems spread across all the major hospitals. The Government will continue to support a programme of computerisation in general practice, which will also contribute to more cost-effective services.

Self Governing Hospitals

10.8 The introduction of Unit General Managers in major acute hospitals will facilitate progress towards self-governing status for a small number of hospitals. Since self-governing hospital will have to compete for business, only hospitals in the Belfast area are likely to be candidates for self-governing status. The same conditions for self-governing status will apply as elsewhere in the United Kingdom. This will include an effective management structure, involving senior professional staff. Improved information systems for both management and clinical purposes will be required. Self-governing hospitals will continue to provide basic services to their local population with appropriate linkages to services in the community. They will also undertake necessary teaching and research activities. Effective safeguards will prevent any self-governing hospital abusing its position as monopoly supplier.

10.9 Meanwhile the Government believes that the management of the major Belfast teaching hospitals requires to be brought together and strengthen to ensure their complementary

working. It therefore supports proposals for a unified management structure for these hospitals within the Eastern Board.

GP Practice Budgets and Service

10.10 There are few GP practices in Northern Ireland large enough to opt for a practice budget. Nonetheless the Government is keen to explore the potential for opting-out including the need for better information systems. Training programmes will be developed for GP practices which wish to opt out.

10.11 In parallel, the Government will continue with its existing initiatives to improve primary care services in the Province. These include the greater involvement of GPs in the delivery of co-ordinated community health and social services and more cost-effective and economical prescribing.

Membership of Health and Social Services Boards

10.12 Boards will be reconstituted as management bodies on similar lines to NHS authorities in Great Britain. District Council nominees will no longer serve on the Boards, but will be given a stronger voice in an advisory and consultative capacity. The present District Committees have a limited remit and a highly localised focus. The Government intends to replace them by a Committee relating to each Board, with stronger advisory and consultative powers and representation from District Councils and voluntary interests.

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Financial Management

10.13 The Government intends to replace the present PARR formula for the allocation of revenue resources by a simpler capitation-based formula, as in Great Britain. The adoption of the new formula will require better and more timely information on the extent and cost of treating patients from other Boards' areas.

10.14 The Government intends to strengthen existing arrangements for the external audit of the health and personal social services, including the greater use of the private sector.