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PRIME MINISTER

21 December 1988

NHS WHITE PAPER: FIRST DRAFT

CHAPTERS ON SCOTLAND, WALES AND NORTHERN IRELAND

The regional contributions are mixed. Scotland's contribution is too long and general but at least it does focus on the importance of putting patients first and it notes the value of self-governing hospitals and GP budgets. The Welsh paper is extremely tentative and, surprisingly, looks forward to its own full corporate strategy for the NHS in Wales which will be published in 1992. The Northern Ireland paper focusses on management reorganisation only. Actual benefits for patients appear to be minimal.

One worrying theme is emerging from these papers. Self-governing hospitals are only envisaged in areas where there are significant cross-border flows. Consequently, very few self-governing hospitals are anticipated in the less populated territorials.

This is the principle of devolving decision making

This viewpoint should be tackled head on. Self-governing hospitals could still thrive without significant cross-border flows. Pay flexibility and responsibility over capital will encourage more entrepreneurial management. It is crucial that the three regions set their targets much higher.

The Welsh Paper is of particular concern. The Welsh Office is trying to distance itself from the Review by announcing its intention to present its own strategy review. This is unacceptable: if the Review is to carry credibility with the public it must be seen to benefit the country as a whole. Also the commitment behind self-governance and GP budgets is

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almost non-existent. And paragraph 4 vii inappropriately refers to the need for resolving the community care issue and argues for merging FPCs and DHAs. This paragraph should be excluded.

Extensive redrafting will be required of each paper to bring out the following points which I believe are fundamental:

- Brief summary of past successes. ✓
- The need for change. ✓
- The impact of the reforms on the region (this needs to be more upbeat - especially on self-governing hospitals and GP budgets).
- Summary of main structural changes.

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