



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Clarke QC MP  
Secretary of State for Health  
Department of Health  
Richmond House  
79 Whitehall  
London  
SW1P 3EB

22<sup>nd</sup> December 1988

Dear Ken,

**NHS REVIEW WHITE PAPER**

It may be of assistance to you to have the main comments which the Chancellor and I had intended to make on the first draft, had the meeting arranged for today not been cancelled. My officials will be writing separately to yours with some further detailed drafting points.

In general, we felt the draft was a useful start. But we have some doubts about the way that the main message is presented. There are two general points. First, we need to be quite clear whether we are presenting the reforms as a fundamental change to the system, or as a continuation of the evolution that has taken place over recent years. Both chapter 1 and the opening paragraphs of chapter 12 are ambiguous on this point. Our view is that the proposals amount to fundamental reform and that it would be best to present them as such, particularly after a review which has taken us a year to complete.

Secondly, the draft needs to put patients first. This comes across most clearly in chapter 2, the order of which suggests that running the NHS more like other businesses and giving management the freedom to manage are more important than patient care. We must make it clear that the White Paper is primarily for the benefit of patients, and not primarily for the benefit of NHS managers.

Chapter 1 (Foreword) should begin by explaining why the Review has come about: that it is the consequence of the success of the NHS in meeting people's needs by providing ever more advanced services and treatment to more and more patients. As a result, the service has grown, with more doctors and nurses, more equipment, and so on. The Government has made available large and increasing sums of money to meet the costs. It is this growth which has placed the system under increasing strain and has led many people to question the way the service is organised and delivered. It could then go on, as paragraph 1.3 does, to set out the objective of a more efficient and responsive service.

In general, we think this chapter could be in rather more personalised terms than at present. On a couple of detailed points, if paragraph 1.2 is retained, the second sentence should be split into two unrelated statements, while the third sentence should refer to a service which is mostly free at the point of delivery and financed largely out of taxation.

If these proposals for chapter 1 are accepted, the first 4 paragraphs of chapter 2 (Delivering a better service) could be dropped. We think the final section of this chapter should be brought to the front (and that it should talk about patients, not "customers"). What is now paragraph 2.14 should contain positive proposals for dealing with waiting times, and not end just by saying that the problem remains. At present such proposals are buried in chapter 7. Paragraph 2.15 also deserves more prominence.

We were not sure what was added by paragraphs 2.5-2.7, and, since the message here may be open to misinterpretation, they might best be dropped. Paragraph 2.9, like other parts of the White Paper, gives too much prominence to GP practice budgets since, even if we decide to go ahead with them, they will cover no more than 2% of NHS expenditure, and probably a lot less. The proposals in respect of hospitals are far more important.

We think that chapter 2 should be followed by a new chapter on value for money. We will circulate a draft before the meeting arranged for 5 January.

We are to discuss the substance of chapter 3 (Practice budgets) separately. But irrespective of the outcome of that, it would be better to take this issue after chapters 4-7 on hospitals.

My officials will be giving yours detailed comments on chapters 4-9. I will mention only a few specific points.

a. Is it accurate to refer to "leaner and fitter" regions in chapter 5? The scope for removing functions cost-effectively is not demonstrated in paragraph 5.8, while proposals elsewhere in the White Paper will give them a lot of new tasks.

b. The drafting of chapter 7 needs to be looked at again. At present, it is rather unclear and obscure.

c. I was unclear about the reasons for changing the name of FPCs. Will the proposed new name not cause confusion with the Family Planning Association?

d. I thought the title of chapter 9 "Better decision making" was unfortunate since one of the main proposals involves removing many of our supporters from health authority membership.

Chapter 10 (Working with the private sector) does not seem to contain any proposals which are not made elsewhere, notably in chapter 5. This repetition should be removed.

Chapter 12 (Summary and timetable) should confine itself to just that. The first five paragraphs, if they are to be retained, are really for the Foreword.

I am sending copies of this letter to the Prime Minister, Nigel Lawson, Malcolm Rifkind, Peter Walker, Tom King, David Mellor and Sir Roy Griffiths, and Mr Wilson (Cabinet Office).

*Yours Ever,  
John*

JOHN MAJOR

