DEPARTMENT OF SOCIAL SECURITY
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From the Secretary of State for Social Security

CONFIDENTIAL

The Rt Hon Kenneth Clarke QC MP
Secretary of State
Department of Health
Richmond House
Whitehall
London
SW1A 2NS

17 October 1989

Dear Ken,

COMMUNITY CARE: BENEFIT ARRANGEMENTS AFTER APRIL 1991

I am replying to David Mellor's letter to me of 5 October and his of 17 October to Nick Scott.

Preserved Income Support

We have been giving further thought to the presentational difficulties which would be caused by adopting the more restrictive approach we had earlier envisaged. Although it has to be said that any open-ended arrangement does cause us some difficulty, Nick Scott and I do recognise the force of your argument on this one. I therefore propose that the White Paper contains a commitment to leaving access to the preserved scheme open for at least five years, accompanied by a commitment to keep the operation of this under review. My officials have been in touch with yours about the necessary changes to the draft White Paper. We propose to leave the rules for 'small homes' as they are set out in the draft White Paper. This exclusion was allowed for in the earlier statements.

Avoiding Hard Cases

This extension of the preserved rights arrangements will bring even more sharply into focus the presentational difficulties which will be caused by potential mismatches in entitlement under new and old schemes. I think we are agreed on the basic premise that it will be impossible to defend a situation where claimants receiving income support from us do not receive as much help as others receiving help from local authorities. This will be a particular problem where local

C.R.

authorities have driven a hard bargain with home owners and are giving a level of help which is demonstrably the minimum required for the care provided. We have a very serious difficulty in addressing this sort of case through Income Support because, as you know, the limits are an inflexible tool and it will simply be impossible to give them the degree of variation in individual cases which would avoid this difficulty occurring.

Further thought has convinced me that the only acceptable road to go down in addressing this problem is to allow Local Authorities a discretion to top up preserved entitlements as well as new ones. The only alternative in Social Security would be to reintroduce the system of local limits which were in place before 1985. They caused the dramatic explosion in expenditure which we are now trying to control. The limits would have to operate without any sort of care test and budgetary constraint, and in so doing weaken seriously the ability of local authorities to strike the hard bargains we all want them to.

We would also be left with some fairly unpleasant administrative anomalies in the system. A resident of a home whose assets are declining will be able to get help from us if they need it. If they are eligible for help from us under the old scheme they will not be eligible for help under the new. They may not get enough help to pay the fees. Someone with a slightly higher income will not be able to get help from you to meet all the fees. It will be very difficult to rationalise these type of cases. Nor can we solve this problem within the income support regulations. With local authorities able to help, a preserved rights regime will be much easier to defend and your legislation will be very much simpler, since you will not need to seek and defend, a power to exclude this particular group of residents from the flexibilities inherent in allowing topping up. You will of course at the same time be preserving topping up in the cases where it happens at present.

I do hope therefore that we can agree on this approach. I would conclude by emphasising that we do not see this as a way of ducking out of our responsibilities for ensuring that future uprating of the limits are on as generous a bases as they can possibly be. As you know, my programme baseline includes significant sums for uprating and I would want to continue to use them for this purpose.

ER.

Disability Benefits

I note your concerns about the presentational difficulty of the Attendance Allowance proposals. I would stress however that no one who is in a home at present will be affected. Moreover, the current payment of Attendance Allowance in homes is not a significant benefit because it is offset, in the vast majority of cases, fully against income support entitlement. All we are doing is to extend the rules that currently apply in other publicly funded accommodation such as part III homes. There is no question but that the money that would have otherwise been spent on this will be part of the PES transfer. My officials will have another look at the way this is set out in the White Paper.

I am copying this letter to Chris Patten, Malcolm Rifkind, Peter Walker, Peter Brooke, Norman Lamont and to Sir Robin Butler.

Yours ever,
Tony

TONY NEWTON

APPENDIX 1

STRICTLY CONFIDENTIAL

PUBLIC ATTITUDES TO THE HEALTH SERVICE

Background

1 The Party commissioned on a recent Harris omnibus study a number of questions on the electorate's attitudes to aspects of the health service and to our reform proposals. The research was conducted from 27th to 28th September. The 'headline' results are summarised below.

2 **Level of Service from G.P**

75% of respondents thought the service they currently receive from their G.P was 'very' or 'fairly' good, 16% adequate and only 6% 'fairly' or 'very' poor.

3 **Waiting Times on Appointments**

57% of those interviewed claimed to be 'very' or 'fairly' confident of being seen within 15 minutes of their appointment time by their G.P. but only 19% took the same view about being seen within 15 minutes of their appointment time at a hospital out-patients clinic.

4 **Screening**

89% agreed with the view that it is important that G.P's provide a very high level of screening for breast and cervical cancer.

5 **Attitudes to G.P. Service**

We gave respondents three options with regard to their experience with the service provided by their G.P. we found:

Experience with G.P	%
Offers the treatment you feel you need	71
Prescribes drugs when what you want is someone to listen and give advice	11
Offers advice when you would rather have a prescription	8

6 **Waiting Times for Operations**

We asked respondents what they would do if they needed an operation

and the waiting lists was too long. We gave them four options as follows:-

	%
I would wait my turn	35
I am not covered by health insurance and would be willing to travel some way to an NHS hospital for my treatment.	24
I am not covered by health insurance and would consider paying for treatment.	19
I am covered by health insurance and would seek private treatment.	16

7 Self Governing Hospitals

We asked respondents the following questions. "At present, NHS hospitals are run by the District Health Authority. In future it will be possible for hospitals to choose to be self governing - that is to be run directly by senior medical staff and managers, with support from local businessmen. How strongly, if at all,do you agree that senior medical staff should have a choice whether their hospital is to become self-governing?" 49% agreed with the idea of giving senior medical staff the right to choose whether their hospital becomes self-governing, 11% had no view and 33% disagreed with the idea.

We also asked "Under the Government's proposals, senior medical staff will be able to choose between the hospitals being run by the District Health Authority or becoming self-governing, still providing free health care for patients, which would you prefer?" 62% selected being run by the District Health Authority and 23% self-governing.

8 Payment for Health Service

86% agreed with the view that 'all health care should be available free of charge', but 61% agreed with the idea that 'patients who can afford it should make a contribution towards certain health care services'.

54% agreed with the idea that "the Government should give more people tax incentives so they can consider taking out private health care."

9 Awareness of Reforms

39% of respondents claimed they understan our health service reform proposals 'very' or 'fairly' well, and 55% 'not very well' or 'not at all well'.

GALLUP

KEY FINDINGS ON THE DOCTORS' POLL

ON THE REFORM OF THE NHS

* There was a high level of satisfaction among medical practitioners on the standard of patient care provided by the general practitioner service. Ninety-six per cent of GPs were satisfied with the service, as were 90 per cent of consultants and 88 per cent of hospital doctors.

* Overall satisfaction with the hospital service was also expressed by 82 per cent of GPs, 83 per cent of consultants, and 83 per cent of hospital doctors.

* A clear majority of all medical practitioners surveyed said there was **variation in the quality of patient care in their area.** Sixty per cent of GPs, 63 per cent of consultants and 82 per cent of hospital doctors said this was the case in their area.

* Doctors said the greatest concern expressed by their patients about the service they received was the **waiting time** involved in receiving medical treatment. Eighty-eight per cent of GPs, 49 per cent of consultants, and 56 per cent of hospital doctors said waiting times (out-patients, in-patients, waiting lists) was their patients' greatest concern.

* **Waiting time** was also mentioned by 50 per cent of GPs as their greatest concern they had about the service their patients received from the Health Service. They also claimed they **do not have enough time for individual patients** (12 per cent).

* Twenty-one per cent of consultants were most concerned about **waiting times**, and a further 18 per cent said the greatest concern they had for their patients was **underfunding.**

* Among hospital doctors, 31 per cent said their greatest concern for their patients was the **waiting time** involved in receiving medical attention. A further 10 per cent said they **did not have enough time for individual patients. Underfunding** (10 per cent) and **lack of facilities** (10 per cent) were their other chief concerns.

* The overall quality of patient care in the NHS **needs improvement** according to 88 per cent of GPs, 90 per cent of consultants, and 84 per cent of hospital doctors.

* Of those who said improvements were needed, a **combination of change and money** was the preferred way to realise these improvements (GPs 79 per cent; consultants 72 per cent; hospital doctors 82 per cent). **More money** was the preferred option for 19 per cent of GPs, 21 per cent of consultants and 14 per cent of hospital doctors.

* Respondents said they were **informed** on the details of the reforms in the White Paper. Eighty-nine per cent of GPs said they were informed, as did 87 per cent of consultants and 72 per cent of hospital doctors.

* The main source of information about the reforms was the **Department of Health** for both GPs (44 per cent) and consultants (35 per cent). The **BMA** was the main source of information for 24 per cent of hospital doctors. Fifteen per cent of both GPs and consultants said they had gained most of their information from the **BMA**. The **medical press** was the other main source of information on the reforms (23 per cent GPs; 12 per cent consultants; 18 per cent hospital doctors).

* Based on these sources, the main proposals for reform of NHS were: **self-governing hospitals** (46 per cent GPs; 54 per cent consultants; 58 per cent hospital doctors); **GP budget holding** (56 per cent GPs; 51 per cent consultants; 51 per cent hospital doctors); **clinical audit** (12 per cent GPs; 42 per cent consultants; 23 per cent hospital doctors); **management reorganisation** (14 per cent; GPs 25 per cent consultants; 18 per cent hospital doctors); and **GP contract changes** (28 per cent GPs; 15 per cent consultants; 18 per cent hospital doctors).

* Almost half of all doctors said they accepted the White Paper's proposals for NHS reform with **MAJOR** reservations (51 per cent GPs; 57 per cent consultants; 48 per cent hospital doctors). Forty-two per cent of GPs, 25 per cent of consultants, and 29 per cent of hospital doctors **reject** the proposals altogether.

* Of those who had major reservations about the proposals, or who rejected them altogether, the reasons for their stance were that the proposals were **poorly thought out** (34 per cent GPs; 35 per cent consultants; 34 per cent hospital doctors); **no pilot studies** (18 per cent GPs; 22 per cent consultants; 13 per cent hospital doctors); **patient care will suffer** (22 per cent GPs; 16 per cent consultants; 22 per cent hospital doctors); **price tags on patients** (15 percent GPs; 13 per cent consultants; 18 per cent hospital doctors); and **lack of consultation** (12 per cent GPs; 19 per cent consultants; 10 per cent hospital doctors).

* Sixty-nine per cent of GPs (77 per cent consultants; 74 per cent hospital doctors) favour more management decisions to be taken locally.

* Sixty-seven per cent of GPs (53 per cent consultants; 46 per cent hospital doctors) think GP referral patterns should have more influence over the distribution of resources.

* More management information for doctors was favoured by 68 per cent of GPs, 82 per cent of consultants and 81 per cent of hospital doctors.

* Developing clinical audit was supported by 78 per cent of GPs, 94 per cent of consultants and 90 per cent of hospital doctors.

* Seventy-six per cent of GPs (79 per cent consultants; 84 per cent hospital doctors) favour giving patients more information on hospital and GP services.

* Forty-two per cent of GPs (53 per cent consultants; 49 per cent hospital doctors) support more resources to those units which achieve better quality and efficiency.

* Thirty-three per cent of GPs (42 per cent consultants; 39 per cent hospital doctors) favour allowing patients to travel further to obtain treatment more quickly.

* Less local authority representation on health authorities is favoured by 14 per cent of GPs, 33 per cent of consultants and 20 per cent of hospital doctors.

* The BMA most closely represents the views of 72 per cent of GPs, 35 per cent of consultants and 44 per cent of hospital doctors on the proposed NHS reforms. The respondents' Royal College is most representative of the view of 15 per cent of GPs, 50 per cent of consultants and 30 per cent of hospital doctors.

* Seventy-one per cent of GPs, 65 per cent of consultants, and 63 per cent of hospital doctors are satisfied that BMA money has been well spent on their response to the Government's reform proposals.

* The **content** of the BMA's advertising campaign has achieved agreement among 81 per cent of GPs, 74 per cent of consultants and 77 per cent of hospital doctors.

* The tone of the BMA's campaign has achieved agreement among 70 per cent of GPs, 61 per cent of consultants and 63 per cent of hospital doctors.

* Twenty-one per cent of GPs, 34 per cent of consultants and 26 per cent of hospital doctors disagreed with the tone of the BMA's campaign.

* Certain improvements to the BMA campaign were suggested by respondents. The campaign should be **less personalised** (13 per cent GPs, 13 per cent consultants, 7 per cent hospital doctors); **less arrogant** (10 per cent of GPs; 12 per cent consultants; 9 per cent hospital doctors); **educate the public** (13 per cent GPs; 9 per cent consultants; 7 per cent hospital doctors) and **more positive attitudes** (7 per cent GPs; 15 per cent consultants; 9 per cent hospital doctors).

TECHNICAL NOTE

Gallup interviewed 686 medical practitioners (402 GPs; 131 Consultants; 153 Hospital Doctors) between 20 September and 4 October 1989. The interviews were conducted by telephone.

The names of the medical practitioners contacted were supplied by the MDMO, who generated a random listing of doctors from their medical register. The listing was weighted to reflect the age, sex, and regional variation of doctors in England, Scotland and Wales.

C.C.O.
OVERVIEW OF QUALITATIVE RESEARCH
INTO PERCEPTION OF N.H.S. REFORMS

Objectives

To identify the key doubts about the proposed N.H.S. reform and to examine statements which could address those doubts.

Method

Four group discussions, eight respondents per group, lasting one and a half hours each.

Sample and Location

Norwich	:	males over 45. females under 45.
Watford	:	males under 45. females over 45.

All respondents having personal or family experience of N.H.S. within last year.

Strong Labour supporters excluded.
Strong Conservative supporters excluded.

Background Attitudes to N.H.S.

- A great institution
- Essential to British way of life
- Best in the world (comparisons with U.S. system)
- Struggling to maintain service in some areas
- Feeling of shortage of staff
- High awareness of 'waiting lists'
- System copes excellently with emergencies
- Imperfections noticed for more routing work
- Acceptance of waiting/no appointments by most respondents
- Unwillingness to criticise until prompted
- More upmarket more willing to criticise/less passive
- Virtually no understanding of structure, cost, organisations of N.H.S. services.

Prevalent Beliefs – N.H.S. Status

- Government wants to privatise N.H.S..
- Government wants to cut cost of N.H.S..
- Government wants to force people into using private.

'Proof' of These Beliefs

- Government priority is reducing public expenditure.
- Other privatisations (especially water) : government philosophy.
- Government 'introduction' of private medicine.
- Long waiting lists for operations.
- Disputes with nurses/ambulance service.
- Some recall prescription charges.
- Some recall of limited list issue.

The N.H.S. and Private Medicine

- Private medicine = fast treatment/queue jumping
- Medical care viewed as equal : same staff consultants
- Comfort/luxury provided by private : frivolous for some
- Core issue :
  - : doctors/consultants a finite resource
  - : private medicine simply changes priorities
  - : N.H.S. patients victims of queue jumping
  - : private not seen as an extra source of funds into N.H.S.

The Proposed Reforms

- Some unaware of B.M.A. (government dispute).
- Those aware, very vague about details.
- Doctors hold the moral high ground.
- Most well-known issue : 'cutting expensive medicines'.
- Some belief that hospitals can 'opt-out' of N.H.S.
- Combination of : low knowledge of structure of N.H.S.
  + low understanding of reforms
  renders detailed logical cost arguments meaningless.

The Statements

- The N.H.S. will not be privatised.

  Essential, unequivocal, reassurance.
  Ideally needs underpinning with statement of intent ...

  ... No intention or desire to privatise the N.H.S..

- Commitment to maintain, expand the N.H.S.

  ... References to unique, great, British etc may demonstrate empathy.

- Waiting lists/waiting times for operations will be reduced/continue to be reduced.

- (The (single) purpose of the reforms is) to improve the total quality of care for all patients using the N.H.S.

The Statements

Reform Justifications

Difference in cost between regions for identical treatment. Difference must be simple, significant and clear, eg. 50% more, twice as much - even allowing for different regional living costs.

N.H.S. funds should/must go to patient care, not to (wasteful) bureaucracy and administration.
NB. 'Inefficiency' now over-familiar term in connection with rationale for privatisations. Avoid if possible.

Other Issues

All patients using the N.H.S. should be treated with dignity and respect. This strikes a chord for some particularly in connection with queueing for treatment, off-hand treatment.

Variation in quality of care by region - commitment to bringing the worse levels up to the best.
NB. Care needs to be taken in confusing this issue with varying cost by region - suspicion is easily aroused.

Increase in the number of consultants - this helps to address the concern about private medicine draining resources and increasing the waiting times for N.H.S. patients.