

CONFIDENTIAL

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C/Economic Reforms

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

30 May 1990

Dear Andy,

IMPLEMENTATION OF NHS REFORMS

We spoke this morning about the references in paragraph 16 of the paper on the central management of the NHS, to the pilot projects on the contracting system.

The Prime Minister has noted that this appears to indicate there will only be limited experience of drawing up the contracts next April, when the new contract system is put in place throughout the NHS.

You will no doubt wish to cover the issue of experience and training in the drawing up of contracts under the NHS review proposals, in the presentation for Ministers which the Department is now preparing.

*Yours,
Barry*

(BARRY H. POTTER)

Andy McKeon, Esq.,
Department of Health.

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NHS REFORM

(PROLOGUE. REMEMBER GALLIPOLI! THE IMPENDING TRAGEDY WAS OBVIOUS TO THE ONLOOKER, BUT NOT TO THOSE IN COMMAND OF THE OPERATION.)

1. KEN CLARKE'S NHS REFORMS ARE NOW, IN HIS WORDS, "MY REFORMS". FOR POLITICAL AND EMOTIONAL REASONS HE IS NO LONGER TAKING A RATIONAL VIEW OF THE REFORM PROPOSALS. HIS HONOUR IS ENGAGED IN THE FULFILMENT OF HIS OWN PROPHECIES. HIS JUDGEMENT HAS GONE.

2. TO THOSE WHO WANT TO PILOT THE REFORMS, LEARN FROM THE PILOTS, AND THEN EXTEND THE BENEFITS WHILE AVOIDING THE PITFALLS, HE HAS TWO ANSWERS, EACH OF WHICH IS ABSURD :-

THE FIRST IS THAT IT IS NOT POSSIBLE TO TEST THESE PROPOSALS IN CERTAIN DISTRICTS OR REGIONS. HE SAYS, WITH MINISTERIAL AUTHORITY EX CATHEDRA, "THE REFORMS CAN NO MORE BE BROUGHT IN GRADUALLY THAN YOU COULD SWITCH TO DRIVING ON THE RIGHT SIDE OF THE ROAD GRADUALLY". THIS TOTALLY ILLOGICAL DICTAT MEANS THAT NO-ONE IN THE MINISTRY CAN PUT FORWARD IDEAS FOR PILOT TESTS, SINCE THE MINISTER HAS SAID THAT IT WOULD BE IMPOSSIBLE TO IMPLEMENT THEM! NO ROOM FOR DISCUSSION OR ARGUMENT.

THE SECOND ANSWER IS GIVEN TO PEOPLE LIKE GRAHAM DAY, WHO MIGHT TELL HIM THAT IT IS NONSENSE TO SUGGEST THAT THESE REFORMS CANNOT BE TESTED IN SOME AREAS. TO THEM HE SAYS "IT IS PUBLIC OR POLITICAL POLICY TO BRING THESE REFORMS IN ACROSS THE COUNTRY AT A STROKE". CLEARLY MERE BUSINESSMEN CANNOT ARGUE ON MATTERS OF PUBLIC OR POLITICAL POLICY! AGAIN, NO ROOM FOR ARGUMENT.

3. IS IT EGO? OR A FEELING THAT HE MUST NOT BE WEAK, LIKE JOHN MOORE, IF HE SEEKS HIGHER OFFICE IN THE FUTURE? OR A SUBTLE DESIRE TO COMMIT THE GOVERNMENT TO IMPLEMENTATION NOW SO THAT HE CAN FORCE THE TREASURY TO GIVE ANY AMOUNT OF MONEY TO THE NHS? AFTER ALL, THE NHS CAN'T BE SEEN TO BE IN SERIOUS TROUBLE WHEN THE GOVERNMENT'S REFORMS ARE BEING PUSHED THROUGH! THE GOVERNMENT WOULD BE BLAMED, AND THAT WOULDN'T BE GOOD IN AN ELECTION YEAR.

4. WHATEVER THE REASONS, THE TWIN ARGUMENTS HAVE EFFECTIVELY ENSURED THAT NO RATIONAL STUDY OF THE PACE OF IMPLEMENTATION HAS TAKEN PLACE. NOR WILL KEN CLARKE MAKE SUCH A STUDY POSSIBLE. FOR HIS STRATEGY HAS BEEN TO SET UP ILLOGICAL BUT EFFECTIVE BARRIERS TO INTELLIGENT ANALYSIS OF HOW TO BRING IN RADICAL REFORMS. HE IS UTTERLY COMMITTED TO 'PRESSING ON REGARDLESS'.

5. IF YOU WANT TO CHANGE THE WAY THE NHS REFORMS ARE GOING FORWARD, YOU WILL HAVE TO DO IT BY DECISION IMPOSED ON THE D.O.H. THEY ARE EFFECTIVELY ESTOPPED FROM COMING TO A SENSIBLE DECISION THEMSELVES. THEY WILL GIVE YOU REFORMS WHICH, IN THE EARLY YEARS, WILL COST MONEY, NOT SAVE IT. REFORMS WHICH WILL PRODUCE FIASCO AND POSSIBLY SCANDAL, AS WELL AS CUTS IN HEALTH CARE TO PAY FOR ACCOUNTING. UNTESTED REFORMS WHOSE 'LEARNING CURVE' WILL PRODUCE ADMINISTRATIVE CHAOS. REFORMS WHICH WILL UNITE THE MEDICAL PROFESSION IN SAYING THAT THE NHS IS NOT SAFE WITH YOU, AND WHICH WILL TEND TO PRODUCE EARLY RESULTS THAT CONFIRM THE ACCUSATION.

(EPILOGUE. IT HARDLY SEEMS POSSIBLE THAT NHS MANAGEMENT COULD PLAN THE SHAMBLES I ENVISAGE. BUT IT PROBABLY DIDN'T SEEM POSSIBLE THAT GALLIPOLI COULD BE AS BAD AS IT WAS, UNTIL THE REPORTING CEASED TO COME FROM THE PEOPLE RESPONSIBLE FOR THE FIASCO!)

NHS REFORMS: PROGRAM OF ACTION

1. DECISION THAT IMPLEMENTATION WILL BE BOTH PHASED AND TESTED, WITH EXTENSION TAKING PLACE WHEN TESTS HAVE PROVED THAT MACHINERY IS IN PLACE TO DEAL WITH DIFFICULTIES OF CHANGE.
2. ENGINEER A MEETING WITH THE ROYAL COLLEGES TO DISCUSS THE REFORMS, TO HEAR THEIR CONCERNS, AND TO REITERATE THE GOVERNMENT'S FIRM VIEW THAT CHANGES MUST TAKE PLACE TO IMPROVE THE RUNNING OF THE NHS IN THE 1990'S.
3. DEVELOP A PROGRAM WHICH TAKES ACCOUNT OF THEIR CONCERNS AND TESTS THE GOVERNMENT'S RADICAL IDEAS WITH THE SUPPORT OF THE PROFESSIONS.
4. GET THEIR PUBLIC SUPPORT FOR THIS PROGRAM, EFFECTIVELY REMOVING NHS REFORM AS A NEGATIVE ELECTORAL ISSUE.

Cuts force hospitals to close 1,000 beds

NEARLY 1,000 hospital beds in central London have been closed in the past six months because of financial cutbacks, a health services watchdog, said yesterday, writes *Celia Hall*.

The reductions will lead to longer waiting lists and, in three London health districts, represent 10,000 fewer patients being treated over a year, according to the London Health Emergency.

The data, based on actual figures and some projections, was drawn from the health authority documents of Parkside, Riverside, Bloomsbury, Camberwell, City & Hackney, Islington, West Lambeth, Wandsworth and Lewisham, and North Southwark. The districts contain some of the country's most prestigious hospitals, including Guys, St Thomas's and St Bartholemew's.

The group calculates that in Wandsworth 3,900 fewer patients will receive treatment, 3,500 fewer in Riverside and 2,500 fewer in Parkside. Recent waiting-list figures for the nine districts put the total at 59,966, nearly half the greater London total.

John Lister, a spokesman for the LHE group, said yesterday: "Things are certainly going to get worse for patients in inner London. The cuts are being pushed through now to eliminate long-term underlying deficits and create a 'level playing field' for the new NHS Bill next April. The figures show inner London's hospitals need more cash and less reorganisation."

Last night, Kenneth Clarke, Secretary of State for Health, said that the districts were the best financed in the country. "To allow them to overspend can only be at the expense of patients in the Home Counties. My NHS reforms will ensure less crisis management and more controlled referrals of patients."

← "MY" NHS REFORMS.