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PRIME MINISTER

Statements on the Health Service

I told you a little bit about the atmosphere in the House this afternoon before and during Mr. Jenkin's statement on the Health Service (copy attached).

At 3.30 there were twenty-five minutes of points of order because there was not going to be a separate oral statement on the future of the Health Service in Wales. After a lot of enjoyable and spurious indignation from the Opposition orchestrated and led by Michael Foot, the Chancellor of the Duchy gave way with a twinkle in his eye and said that Mr. Edwards would make an oral statement after Mr. Jenkin, and that Mr. Younger would make an oral statement on the Scottish Health Service next week. The atmosphere cooled down rapidly.

I was not present for Mr. Jenkin's statement itself, but I came back in to find that Mr. Edwards had made life a little more difficult for himself for failing to get his Consultative Document out to the Welsh MPs.

I doubt that any of the substance of this will be raised with you tomorrow, although it may well be with the Chancellor of the Duchy at Business Questions. All the signs are, however, that the mood of the House has changed and that we can expect end of term behaviour from now on.

MJS

23 July 1980

STATEMENT BY THE RT HON PATRICK JENKIN, SECRETARY OF STATE FOR SOCIAL SERVICES. WEDNESDAY 23 JULY 1980

"PATIENTS FIRST"

1. With permission, Mr Speaker, I will make a statement on changes in the organisation and management of the National Health Service in England. My Rt hon Friend, the Secretary of State for Wales is announcing his proposals for Wales today; and my Rt hon Friend, the Secretary of State for Scotland will be announcing his proposals next week.

2. My Department has received over 3500 comments in respnse to last December's consultative document, "Patients First". I have had an analysis of these comments prepared and a copy is in the Library; copies will be available in the Vote Office in a few days. There is considerable support for our proposal that the organisation of the NHS should be streamlined. I am therefore today issuing a circular to health authorities on the changes to be made to achieve this. Copies of this and of my statement are in the Vote Office.

3. On structure, we have decided to remove a tier of administration. Instead of 90 area health authorities administering 199 districts, we will create a single tier of District Health Authorities.

Each will serve a population of, generally, between 150,000 and 500,000. I have asked the Regional Health Authorities to make recommendations to me on the boundaries of the new authorities by the end of next February after full consultation with interested bodies. I have told them that in order to minimise upheaval, the new District Health Authorities should as far as possible follow the boundaries of existing health districts (including single district areas) because this should in most cases provide a satisfactory pattern.

4. I want the new authorities to enjoy considerable autonomy in managing their affairs. Greater freedom should encourage a greater sense of responsibility; and smaller authorities, closer to the communities they serve, should be more responsive to local needs.

5. With a view to enhancing local autonomy still further, I intend, later on, to review the role of Regional Health Authorities. Regions' responsibilities for strategic planning, the allocation of finance to the Districts and the maintenance of financial disciplines will remain. Talks will be held between representatives of the doctors, my Department and the National Health Service on the future management of medical staff contracts, with a view to seeking a way of reconciling my desire for more autonomy at the local level with the doctors' genuine concern that the benefits which have resulted from the existing arrangements should not be lost.

6. There is also strong support for our other main proposal - to strengthen management at the local level and remove the intermediate tier between the District and the local unit. Each District Health Authority, which will be served by a single management team, will therefore arrange the district's services into defined units, appoint senior people to manage them and give those people their own budgets. As far as possible, support services will be organised at that level. My objective is to get decision-making down to the hospital and the community level. In order to give authorities greater flexibility on this, I am cancelling most of the existing instructions which require them to appoint specified officers to a substantial number of posts. District Health Authorities will decide for themselves what posts to create.

7. I attach high importance to effective collaboration between the National Health Service and local authorities. I propose therefore to retain the present statutory requirement for joint arrangements for collaboration. The creation of new District Health Authorities will however mean that in many parts of England, health authorities and local authorities will no longer have common boundaries on a one-to-one basis. It is my hope that in most cases two or more district health authorities will make up one complete non-metropolitan county. I am proposing, in line with many views put to us, that Health Authorities should average around 16 members - significantly fewer than existing Area Health Authorities. Within this total, I propose that local authorities should appoint four nominees.

8. There has been considerable support for Community Health Councils; they will be retained in the new structure, with one CHC for each District. Later this year I will issue a consultative paper seeking views on their membership, role and powers. When, after a few years, we have had experience of the working of the more locally-based district health authorities, I will review the longer term case for retaining these separate consumer bodies.

9. As foreshadowed in "Patients First" I intend to retain the structure of Family Practitioner Committees, but I shall wish to study all the suggestions that have been made to improve collaboration with health authorities, especially in the planning of primary care.

10. I attach importance to close working between the National Health Service and universities with medical schools. I will discuss with interested bodies the present arrangements for designating some health authorities as teaching authorities, taking account, for instance, of the extent to which medical students are now taught in hospitals run by non-teaching authorities.

[illegible]1. The changes I have announced imply no criticism of health service managers. They have had to work in what turned out to be an unduly complicated structure. It is much to their credit that the Service has achieved what it has. However, staff at all levels will be affected by the changes, and there must be full consultation with staff interests on the ways in which change takes place. Staff must know that they are going to be treated fairly. We have put forward what I hope are seen as fair proposals for the filling of posts in the new Authorities, for staff protection and for early retirement and redundancy compensation. These proposals are being discussed with the Staff Sides and I hope that satisfactory agreements can be reached soon.

12. The 1974 reorganisation represented a major step forward in the integration of hospital and community health services including primary care. It is the Government's policy, like that of our predecessors, that people should receive care in the community wherever possible. Further, the National Health Service is often criticised for neglect of prevention and of the more positive aspects of health promotion. The changes I am announcing in structure and management will, by making the Health Service much more a local service serving local communities, reinforce this priority for community care, and should lead also to the closer involvement of the public with policies to promote good health. In this, the role of the relatively new medical specialty of community medicine will be of increasing importance.

13. The main purpose of the changes I am announcing is to provide a Health Service which is better and more efficiently managed, and where local decisions can be taken more quickly by local people. At the same time, I am confident that it will be possible to make significant reductions in management costs, and I have told the Health Service that I expect these to be reduced, after a transitional period, by some 10 per cent, equivalent to about £30 million a year at present costs. This will release resources which could be used for patient care.

14. Mr Speaker, management and structure, though important, will not solve all our problems. The Government has already embarked on a number of initiatives designed to get better value for money, improve links between the Health Service and local communities, and raise standards. In the Autumn, I intend to issue a document outlining the Government's strategy and priorities for health. The proposals I am announcing today will, when carried into effect, help to achieve what we all seek, a better service for our people.

Nat Health

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PRIME MINISTER

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# REORGANISATION OF THE NATIONAL HEALTH SERVICE

The Government has announced its plans for the reorganisation of the NHS and the removal of one tier of administration. The announcement follows publication in December 1979, of a consultative paper "Patients First".

The present 90 Area Health Authorities with 199 districts, will be replaced by new District Health Authorities generally serving populations of between 150,000 and 500,000. It is expected that most of the changes will be made on or by 1 April 1982.

In his announcement in the House of Commons on Wednesday, 23 July 1980, Mr Patrick Jenkin, Secretary of State for Social Services, said:

> "The main purpose of the changes I am announcing is to provide a Health Service which is better and more efficiently managed, and where local decisions can be taken more quickly by local people. At the same time I am confident that it will be possible to make significant reductions in management costs, and I have told the Health Service that I expect these to be reduced, after a transitional period by some 10 per cent, equivalent to about £30 million a year at present costs. This will release resources which could be used for patient care."

The main points of the Government's proposals are:

- Area Health Authorities will be replaced by District Health Authorities following as far as possible the boundaries of existing health districts (including single district areas). They are expected to serve communities with populations up to 500,000.

- The new authorities will have - on average - sixteen members each, four of them nominated by local authorities. This is fewer than suggested in "Patients First".

- Decision making to be brought as far as possible down to hospital and community level with strengthening of management at that level - i.e. "bringing back 'matron'".

- Regional Health Authorities will remain for strategic purposes. Their functions are to be reviewed later.

- Community Health Councils are to remain - one for each new district authority. Their membership and functions are to be reviewed.

Paymaster General's Office
Privy Council Office
Whitehall
LONDON

24 July 1980

## NATIONAL HEALTH SERVICE (ENGLAND)

**The Secretary of State for Social Services (Mr. Patrick Jenkin):** With permission, Mr. Speaker, I shall make a statement on changes in the organisation and management of the National Health Service in England. My right hon. Friend the Secretary of State for Wales is announcing his proposals for Wales today, and my right hon. Friend the Secretary of State for Scotland will be announcing his proposals next week. My Department—[*Interruption.*]

**Mr. William Hamilton:** On a point of order, Mr. Speaker. Can it be made clear at the outset that there will be a separate statement on the Floor of the House from a Minister representing Scotland? The Health Service in Scotland is an entirely different organisation from that in England and Wales.

**Mr. Speaker:** The only request that I have received is for the statement that is about to be made.

**Mr. Hamilton:** It is an outrage.

**Mr. Jenkin:** The hon. Gentleman may not have heard what I said because of the noise that was being made by many of his hon. Friends. My right hon. Friend the Secretary of State for Scotland will be announcing his proposals next week.

**Mr. Hamilton:** In the House?

**Mr. Speaker:** Order. There will be time for questions after the Secretary of State's statement.

**Mr. Orme:** On a point of order, Mr. Speaker. I wish to ask the Secretary of State whether—[*Interruption.*]

**Mr. Speaker:** Order. The right hon. Gentleman must address his point of order to me.

**Mr. Orme:** On a point of order, Mr. Speaker. Will the statements regarding Scotland and Wales be made as oral statements in the House—Wales today and Scotland next week?

**Mr. Speaker:** I cannot answer that point of order. The Secretary of State will be subject to questioning at the end of his statement.

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**Mr. Jenkin:** Perhaps I may respond to the right hon. Gentleman's point. My right hon. Friend the Chancellor of the Duchy of Lancaster has taken note of what he said, but that is a matter for next week.

**Mr. Rowlands:** Will you advise us, Mr. Speaker? The Secretary of State said that the Secretary of State for Wales will be making a statement today. If he is not to make it orally, and as the statement that has just started is described as being about England and not about Wales, are we to understand that the Secretary of State for Wales may simply issue a press release, or something like that, and not make a statement in the House and be subjected to the same interrogation and questioning as the Secretary of State for Social Services?

**Mr. Speaker:** The House must understand that I cannot order any Minister to make a statement in the House. I have to deal with the statement that the Secretary of State for Social Services is making. I cannot advise the hon. Member for Merthyr Tydfil (Mr. Rowlands), except to say that I have received no request for a statement about Wales.

**Mr. Rowlands:** Will you tell us, Mr. Speaker, whether it will be in order for us, on this statement, to question the Secretary of State for Social Services on what is to happen in Wales?

**Mr. English:** On a point of order, Mr. Speaker. Is it not correct that it is only by courtesy that the House hears a ministerial statement? Would it not be a good idea if we refused to hear the statement until the Government have got themselves in order?

**Several Hon. Members** *rose*——

**Mr. Speaker:** Order. I think that I should call on the Secretary of State make his statement.

**Several Hon. Members** *rose*——

**Mr. Speaker:** Order. Mr. Michael Foot.

**Mr. Foot:** Obviously, Mr. Speaker, the House is in a considerable state of confusion. The right hon. Gentleman proposes to make a statement that refers only to England, and he suggests that there is to be a statement next week about Scotland, but in the meantime

[Mr. Foot.]
we are not at all sure what is to happen about Wales. It would appear, therefore, that Welsh Members are to be deprived of the opportunity of putting any questions on what is to happen about Wales, as the statement is to be made not in this House but elsewhere.

I suggest that that is not the right way to treat the House and that the best course for the Government would be not to make the statement today but to consider the matter and tomorrow ask the leave of the House to make a proper statement. If such a course is not followed, Welsh Members will be deprived of their rights. I know that Conservative Members may not worry about that, but it worries Opposition Members. In view of the confusion in which the Government have placed us, I suggest that they should not proceed with the statement now but should make it tomorrow, when they have sorted the matter out.

**Mr. Arthur Lewis:** On a point of order, Mr. Speaker. Is it not the case that you have the sole right to decide whether to grant permission for a statement to be made, although invariably you grant that permission? We know that it is done in order that the House may be advised and informed of certain matters. In view of the fact that a full report of the statement has obviously been leaked by the Minister and appears in today's *Daily Telegraph*, I suggest that no harm would be done if you were to withdraw permission for the statement to be made, as my right hon. Friend the Member for Ebbw Vale (Mr. Foot) suggested. Then we could all read the statement in *The Daily Telegraph* and come back tomorrow well prepared to put our supplementary questions to the Minister.

**Mr. English:** Will you allow me, Mr. Speaker, to move that the leave of the House be not given for this ministerial statement?

**Mr. Cryer:** I will second that.

**Mr. Pavitt:** On a point of order, Mr. Speaker. Is it not the custom that before a statement is made Opposition spokesmen are issued with copies of it, so that they may give some prior consideration to it? Are you able to tell us whether in this case the Opposition spokesmen for Scotland and Wales have been issued with statements, so that they may be in a position to deal with the proble[illegible] that will face them?

**Mr. Onslow:** On a point of order, Mr. Speaker. I understood you to have called my right hon. Friend to make a statement, and I do not see how you can, so to speak, "uncall" him. Would it not be a great deal more orderly if he were to be allowed to make his statement? Hon. Members who found some deficiency in it could jump up and down afterwards.

**Several Hon. Members** *rose*——

**Mr. Speaker:** Order. The hon. Member for Woking (Mr. Onslow) is right. I have called on the Secretary of State to make his statement. I have been taking these points of order as a preliminary to the statement that the Secretary of State is likely to make.

**Mr. Ennals:** On a point of order, Mr. Speaker. At the time when you called the Secretary of State, presumably you did not know that the statement would not be dealing with Scotland and Wales, or that no announcement would be made about Scotland and Wales. May I, therefore, second the motion that has been put by my hon. Friend the Member for Nottingham, West (Mr. English), that permission be not granted for the statement to be made?

**Mr. Speaker:** I cannot accept such a motion at this stage. I have already called the right hon. Gentleman to make the statement.

**Mr. Ioan Evans:** When "Patients First" was issued, it was issued by the Welsh Office and by the Department of Health and Social Security. I understand that there is to be a statement about Scotland in the House next week [*Interruption.*] I thought that that was understood. That may happen. My point is that the present statement does not relate to Wales and that the announcement about Wales is apparently to be made somewhere else. We have not been told where it is to be made. Are not the Welsh Members being denied the opportunity to question the Secretary of State on what is contained in that statement?

**Mr. Speaker:** It is not my intention to confine questions to English Members—[*Interruption.*] I can do no more to help the House.

**Mr. Foot:** It is quite true, Mr. Speaker, as you have said, that you had called on the right hon. Gentleman to make his statement and that he had started to make it. Points of order have been made by several hon. Members, and certainly those from Wales have the larger grievance. Surely, in the light of what has occurred, it would be possible for the Leader of the House to say that he will make arrangements for a statement to be made tomorrow about England, as well as such statement as the Government may wish to make about Wales.

If the Leader of the House were to rise and make that suggestion, it would, I am sure, meet with the wishes of the House. It would get us out of the difficulty. Otherwise, there will be complete confusion about when a statement is to be made about Wales, when the Minister can be questioned, and how the rights of Welsh Members can be protected. I suggest to the Leader of the House that he is the person to rescue the House and the Government from the difficulty. It would be perfectly within the province of the Leader of the House to suggest that statements on both England and Wales should be made to the House tomorrow.

**Mr. Speaker:** Mr. Secretary Jenkin.

**Several Hon. Members** *rose*——

**Mr. Speaker:** Order. Points of order can be raised but they must relate to the rules of the House. I have tried to help the House as much as I can. I cannot do any more than call the Secretary of State, who has already started to make his statement. I suggest—[*Interruption.*] Order. I suggest that it is in the best interests of the House that we keep questions until after the statement has been heard.

**Mr. Faulds:** Further to that point of order, Mr. Speaker. There is, of course—[HON. MEMBERS: "Speak up."] I think hon. Members will hear. There is another avenue of approach open to you, Sir. You could—it is within your powers—either on your own decision or at the request of the Chancellor of the Duchy of Lancaster order a temporary suspension of the sitting of the House. That would give an opportunity—[*Interruption.*]

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**Mr. Speaker:** Order. The hon. Gentleman must be allowed to make his point.

**Mr. Faulds:** Thank you, Sir, for your protection. That would give the Chancellor of the Duchy an opportunity to order his minions, the Secretaries of State for Scotland and Wales, to come here, where they should be, and make statements to the House rather than to issue press releases that are not open to immediate question by Members.

**The Chancellor of the Duchy of Lancaster and Leader of the House of Commons (Mr. Norman St. John-Stevas):** Mr. Speaker, as far as I can see, the difficulty arises not over the statement being made on England, but because a statement is not being made on Wales. We have had an indication that a separate statement is to be made on Wales. I suggest that while my right hon. Friend the Secretary of State for Social Services is making his statement on England I should pursue the matter to see whether the interests of other hon. Members can be met and consult my right hon. Friend the Secretary of State for Wales, who is here.

**Mr. William Hamilton:** On a point of order, Mr. Speaker. The Leader of the House could go much further than that. I think that Scottish and Welsh Members would be disinclined to accept that unless we got a specific guarantee that separate statements will be made on the Floor of the House next week, or some time soon. We must have that specific undertaking before we are prepared to consent to the statement being made by the Secretary of State for Social Services.

**Mr. Rowlands:** On a point of order, Mr. Speaker. I appreciate what the Leader of the House is trying to do, but without a clear assurance before the Secretary of State for Social Services makes his statement, many hon. Members will be in a dilemma. You have already said that you might not confine your calling of hon. Members to English Members. Unless we know that the Secretary of State for Wales is to make a separate statement this afternoon we shall not know whether to pursue our questions with the Secretary of State for Social Services. I hope that the Leader of the House will be able to state categorically that the Secretary of State for

[Mr. Rowlands.]
Wales, who is present, will make a statement on the Welsh aspects of this problem now.

**Mr. Robert C. Brown:** On a point of order, Mr. Speaker. As a humble English Back Bencher, I should like to refer to the ruling that you gave a few minutes ago. I appreciate that you were trying to be extremely helpful to the House. You intimated that if the Secretary of State were to be allowed to make his statement you would not restrict questions to English Members. I am sure that you were trying to be very helpful, but it must be apparent that the moment the Secretary of State for Social Services is asked a question appertaining to Wales by a Welsh Member or a Scottish question from a Scottish Member, he will say that it does not fall within the purview of his responsibility. No matter how responsible and helpful you have tried to be, Mr. Speaker, the Secretary of State clearly will not be able to answer for Scotland or Wales. I feel that we are entitled to a further statement from the Leader of the House.

**Mr. St. John-Stevas:** Mr. Speaker, I have taken advantage of those exchanges to have a word with my right hon. Friend the Secretary of State for Wales. I hope that the House will be satisfied with this suggestion: with your permission, after my right hon. Friend the Secretary of State for Social Services has made his statement, the Secretary of State for Wales—[*Interruption.*] Just a minute; one think at a time—the Secretary of State for Wales will make a statement, and the Secretary of State for Scotland will also make a statement on this subject, on a subsequent date, from this Dispatch Box. I think that we have done all that we can to be reasonable, even in July.

**Mr. Jenkin:** In response to the consultative document "Patients First", my Department received over 3,500 comments. I have had an analysis of these comments prepared and a copy has been placed in the Library. Further copies will be available in the Vote Office in a few days. There is considerable support for our proposal that the organisation of the National Health Service should be streamlined. Therefore, I am today issuing a circular to health authorities on the changes to be made to achieve this. Copies of this and of my statement are in the Vote Office.

On structure, we have decided to remove a tier of administration. Instead of 90 area health authorities administering 199 districts, we will create a single tier of district health authorities. Each will serve a population of—generally—between 150,000 and 500,000. I have asked the regional health authorities to make recommendations to me on the boundaries of the new authorities by the end of next February after full consultation with interested bodies. I have told them that in order to minimise upheaval the new district health authorities should as far as possible follow the boundaries of existing health districts—including single district areas—because this should in most cases provide a satisfactory pattern.

I want the new authorities to enjoy considerable autonomy in managing their affairs. Greater freedom should encourage a greater sense of responsibility; and smaller authorities, closer to the communities they serve, should be more responsive to local needs.

With a view to enhancing local autonomy still further, I intend later on to review the role of regional health authorities. Regions' responsibilities for strategic planning, the allocation of finance to the districts and the maintenance of financial discipline will remain. Talks will be held between representatives of the doctors, my Department and the National Health Service on the future management of medical staff contracts with a view to seeking a way of reconciling my desire for more autonomy at the local level with the doctors' genuine concern that the benefits which have resulted from the existing arrangements should not be lost.

There is also strong support for our other main proposal—to strengthen management at the local level and remove the intermediate tier between the district and the local unit. Each district health authority, which will be served by a single management team, will therefore arrange the district's services into defined units, appoint senior people to manage them and give those people their own budgets. As far as possible, support services will be organised at that level. My objective is to get decision-making down to the

hos[illegible] and the community level. In order to give authorities greater flexibility on this, I am cancelling most of the existing instructions that require them to appoint specified officers to a substantial number of posts. District health authorities will decide for themselves what posts to create.

I attach high importance to effective collaboration between the National Health Service and local authorities. I propose, therefore, to retain the present statutory requirement for joint arrangements for collaboration. The creation of new district health authorities will, however, mean that in many parts of England health authorities and local authorities will no longer have common boundaries on a one-to-one basis. It is my hope that in most cases two or more district health authorities will make up one complete non-metropolitan county. I am proposing, in line with many views put to us, that health authorities should average around 16 members—significantly fewer than existing area health authorities. Within this total, I propose that local authorities should appoint four nominees.

There has been considerable support for community health councils ; they will be retained in the new structure, with one CHC for each district. Later this year I shall issue a consultative paper seeking views on their membership, role and powers. When, after a few years, we have had experience of the working of the more locally-based district health authorities, I shall review the longer-term case for retaining these separate consumer bodies.

As foreshadowed in "Patients First", I intend to retain the structure of family practitioner committees, but I shall wish to study all the suggestions that have been made to improve collaboration with health authorities, especially in the planning of primary care.

I attach importance to close working between the National Health Service and universities with medical schools. I shall discuss with interested bodies the present arrangements for designating some health authorities as teaching authorities, taking account, for instance, of the extent to which medical students are now taught in hospitals run by non-teaching authorities.

The changes that I have announced imply no criticism of Health Service managers. They have had to work in what turned out to be an unduly complicated structure. It is much to their credit that the Service has achieved what it has. However, staff at all levels will be affected by the changes, and there must be full consultation with staff interests on the ways in which change takes place. Staff must know that they are going to be treated fairly. We have put forward what I hope are seen as fair proposals for the filling of posts in the new authorities, for staff protection and for early retirement and redundancy compensation. These proposals are being discussed with the staff sides and I hope that satisfactory agreements can be reached soon.

The 1974 reorganisation represented a major step forward in the integration of hospital and community health services, including primary care. It is the Government's policy, like that of our predecessors, that people should receive care in the community wherever possible. Further, the National Health Service is often criticised for neglect of prevention and of the more positive aspects of health promotion. The changes that I am announcing in structure and management will, by making the Health Service much more a local service serving local communities, reinforce this priority for community care, and should lead also to the closer involvement of the public with policies to promote good health. In this, the role of the relatively new medical speciality of community medicine will be of increasing importance.

The main purpose of the changes that I am announcing is to provide a Health Service that is better and more efficiently managed, and where local decisions can be taken more quickly by local people. At the same time, I am confident that it will be possible to make significant reductions in management costs, and I have told the Health Service that I expect these to be reduced, after a transitional period, by about 10 per cent., equivalent to about £30 million a year at present costs. This will release resources which could be used for patient care.

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[Mr. Jenkin.]
autumn I intend to issue a document outlining the Government's strategy and priorities for health. The proposals that I am announcing today will, when carried into effect, help to achieve what we all seek—a better service for our people.

**Mr. Orme:** The Secretary of State for Industry should have been present on the Government Front Bench to witness the U-turn that the Government have made on the National Health Service and the correction that they are attempting to make to his disastrous reorganisation. We shall want to consider the statement in detail. It contains a great deal of information and far-reaching proposals.

The Secretary of State has spoken of making a statement later in the year on future proposals. I have before me a document that the right hon. Gentleman sent to the chairmen of regional area health authorities recommending the extension of private practice within the Health Service, to which we are totally opposed. Within that document he excludes certain areas for consultation. He states that certain areas cannot be taken as a basis for consultation.

I welcome the fact that the right hon. Gentleman is to retain community health councils despite the antipathy shown by him and other Ministers towards the councils when they came into office. Why does not the right hon. Gentleman concede defeat on this issue? Why does he not accept that the councils have a crucial part to play in representing patients within the NHS and allow them to play their full part?

I note what the right hon. Gentleman has said about savings. It seems that the Government's proposals will lead to a reduction in managerial staff of about 10 per cent. leading to savings of about £45 million gross. It is my understanding that that will mean the loss of about 4,500 management jobs and a net saving to the NHS of about £30 million a year. We want to know exactly how that is to be achieved and how it will affect the morale of the staff within the NHS.

That leads me to the redundancy agreement that the right hon. Gentleman has failed to reach with the trade unions, not least with NALGO. He has failed to agree to a staff commission, which NHS members have correctly requested, that their position may be considered along with the issue of redundancies. Are there to be redundancies, or is there to be natural wastage and reorganisation?

Linked with redundancy is the issue raised by my hon. Friend the Member for Wood Green (Mr. Race), namely, consultations with the TUC and unions in the Health Service such as COHSE, NALGO and NUPE. Is the Secretary of State having consultations with those unions? If so, how are the consultations proceeding?

**Mr. Michael Morris:** What about the patients?

**Mr. Orme:** When we dealt with community health councils, we were dealing with the representatives of patients. It was the Conservative Party that wanted to get rid of that representation. We are concerned about patients. We did not hear very much about patients from the right hon. Gentleman.

I turn to the question of democracy within the Health Service. The Government are taking a backward step by reducing local government representation on the new district health authorities. To reduce that representation from a third to a quarter with a maximum of 16 members means that where there have been eight local government representatives in the past there will be only four in future. Local government representation, which is an indirect method of democracy, has, in effect, been removed.

My next concern is the size of districts. There seems to be a change in the statement and in the paper that the right hon. Gentleman has issued from that which was proposed in "Patients First". It applies to sizes and areas. I hope that he will comment on that and will tell us the number of areas in which he envisages there will be more than one district. I had hoped that reorganisation would get rid of overlapping in the National Health Service.

Paragraph 33 of the Secretary of State's circular states:

"The disappearance of AHAs . . . will impose special strains which could lead to a serious breakdown . . . This must not be allowed to happen."

What does the Secretary of State mean when he says that it should

"not be allowed to happen?"

How will he prevent it? What action will he take?

Conservative Members should recognise that we are dealing with patients and with 1 million employees. This is an important subject. The Tory Government made such a hash of the previous reorganisation that we want to get it right this time. I notice that there is an appendix to the document which deals with London. However, it does not deal completely with London, and there is an urgent need to hold a major inquiry.

The Secretary of State has made his statement against a background of public expenditure cuts in the National Health Service. We are concerned about the maintenance and improvement of the National Health Service. We are also concerned about patients within the National Health Service, and about funding. While some of the proposals for reorganisation may be seen as a sign of progress, the proposals do not meet the problems of the National Health Service today.

**Mr. Jenkin:** Given that the Labour Party has always expressed itself broadly in favour of such streamlining, I think that that was a fairly uncharitable response from the right hon. Gentleman. The document is not concerned with private practice, although perhaps it is characteristic that the right hon. Gentleman should have made that his first question. I have never shown any antipathy towards community health councils. Over the next few years those bodies must be seen to justify their existence, because they cost money.

Most of the staff associations and unions that responded to the document "Patients First" expressed themselves broadly in support of the proposals for streamlining and decentralisation. The terms for protection and redundancy and the other issues that the right hon. Gentleman mentioned, are being negotiated by a special negotiating group, which is a sub-committee of the general Whitley council.

I consulted all the main unions involved in the National Health Service. Either my hon. Friend the Minister or I met the unions and discussed their representations. We agree with the Royal Commission that collaboration between health authorities and local authorities depends, above all, on the will to collaborate. It does not depend on the number of local authority members on health authorities.

The right hon. Gentleman was right about the size of the district. In "Patients First" we leant towards the larger district. However, the representations that were made to us suggested overwhelmingly that the smaller district would be more in accordance with the wishes of those who run the National Health Service. That is why we made that shift.

I shall now turn to finance and the risks of breakdown mentioned in paragraph 33 of the circular. When the National Health Service was last reorganised, control over finance was not as good as it should have been during the change that took place after the election. We intend to take steps, through regional treasuries and, in particular, by setting firm manpower management cost limits on each health authority, to ensure that financial control remains intact.

I understand the right hon. Gentleman's wish for a more general inquiry into London. I have appointed an advisory committee under the chairmanship of Sir John Habakkuk, to advise me on all the issues involved. The appendix gives advice on the reorganisation of London and it is one of the first pieces of work that the advisory committee has done. It is attached to the circular with my blessing. London has difficult problems. However, I do not believe that an open public inquiry, which would necessarily take a long time, would help towards their resolution.

**Mr. Beith:** Will the Secretary of State note that we certainly support any attempt to undo the damage done by the Secretary of State for Industry when he wished such a ridiculous structure on the National Health Service? Does the right hon. Gentleman recognise that getting decision making down to the local hospital and local community level is at least as important as removing a tier from the administration? Will he continue to emphasise that point? Does he accept that community health councils will remain essential unless there is more democracy in the National Health Service and unless Ministers appoint fewer people, not more? Are there not too many jobs for the boys in the appointment of such bodies?

**Mr. Jenkin :** I support the hon. Gentleman's remarks about the need to make decisions at the community and hospital level. In "Patients First" we said that that was the most important feature of reorganisation. We want to make it work effectively. As long as almost all finance comes from central Government and from my Department in the form of cash allocations to the National Health Service the Department is accountable. I or the regions therefore, must, appoint the members of health authorities. As the hon. Gentleman knows, we are examining alternative methods of financing the National Health Service. By getting greater decentralisation by means of an insurance system, local health authorities may become more accountable to local communities.

**Mr. Crouch :** I am glad that my right hon. Friend and his colleagues on the Front Bench have responded to the genuine demand for three separate statements. There are three separate health organisations and that is, therefore, appropriate. I am grateful to my right hon. Friend. I am delighted that he has taken note of the desire to retain community health councils. They provide an element of democracy for the community and for the patient. They cost the small sum of about £4 million a year. If the number of elected local government representatives on the new district health authorities is to diminish, my right hon. Friend should consider whether the amount of money provided should be increased and whether it is possible for such representatives to put in the proper amount of time.

I am concerned about democracy in this essential aspect of our social services. My right hon. Friend said that local decisions, taken more quicky by local people, was his aim. I have heard nothing this afternoon from my right hon. Friend to suggest that decisions about disputes among the one million employees will be taken at a local level. If they were taken at a local level and not referred all the way to the Secretary of State, we might eliminate the disputes that must arise when people are employed by an employer, who is also a Secretary of State.

**Mr. Jenkin :** I thank my hon. Friend for his support. The community health councils and those who spoke for them have made their case. One of the arguments that weighed with me was that community health councils have many members from voluntary bodies. They are often best placed to speak on behalf of the Cinderella services, such as the services for the mentally ill, the mentally handicapped and the very old. Such people might otherwise not receive the priority treatment that successive Ministers have desired to give them. We shall be issuing a consultative paper on community health councils later in the year.

As I said in answer to the hon. Member for Berwick-upon-Tweed (Mr. Beith), local decision-making is a crucial part of the reorganisation. We intend to ensure that the people who run the show in the hospitals and in the communities have seniority and experience, and their own budgets, so that they can take decisions on the spot. Such people will include the administrator and senior nurse who might be called the director of nursing services. They will have the authority.

I am surprised at what my hon. Friend said about disputes. We brought to fruition the initiative taken by the right hon. Member for Norwich, North (Mr. Ennals) for establishing local disputes procedure. Since I have been in office no industrial dispute has been decided by any Minister in this Government.

**Mr. Speaker :** Order. I remind the House that there is to be a statement by the Secretary of State for Wales. If questions are succinct I shall be able to call more hon. Members.

**Mr. Ennals :** Does the Secretary of State recognise that most people in the country and in the Health Service will welcome the decision to put right most of the gross errors committed by the present Secretary of State for Industry? Is he aware that most people will also welcome the decision to retain the community health councils? We welcome the tribute that he paid to the administrators, who have done a difficult job.

The Secretary of State referred to decisions being taken at a local level. I agree with the spirit of that. May we have an assurance that the Service will continue to be a National Health Service, with national standards? Many

of the criticisms of "Patients First" implied that the Secretary of State was looking too much towards a hospital-based service as opposed to a community-based service. Will he comment on that criticism, since such a proposition would be a backward step?

**Mr. Jenkin:** I thank the right hon. Gentleman for his welcome for the main thrust of our proposals. Of course, we have a National Health Service and we shall progressively work towards achieving more national standards through the resources allocation process. The speed at which we can do that depends on the money available. The view that "Patients First" was hospital-orientated was partly due to inadequate drafting and partly due to a misunderstanding by the readers. There was never any intention that it should be so.

If the right hon. Gentleman studies the circular he will discover that it fully endorses what I say. For example, a unit can be a mental illness hospital, the psychiatric community services, and the psychiatric services in a district general hospital. I believe that a more local service will reinforce the general proposition that as many patients as possible should be cared for in the community.

**Mr. Paul Dean:** Will my right hon. Friend confirm that the essential element in his statement is that we can now welcome back the hospital matron and that management decisions will be made in the local hospital and in other places where health care is given? Will my right hon. Friend keep an open mind about having exactly the same pattern of administration throughout the country? Does he accept that in some compact counties, such as Avon, savings on administration and co-operation with a university and with the social services of the county council might be best achieved by having one tier of administration rather than several based on the districts?

**Mr. Jenkin:** I am grateful for my hon. Friend's welcome. If a health authority decides, with the consent of the staff, that the senior nurse in a hospital should be called a matron, I shall have no objection. Of course, it is not an appropriate title for a male nurse. I believe that there will be wide support for the proposition that there should be a senior authoritative chief nursing officer in each hospital to reassert authority.

My whole instinct leans towards the pattern of district health authorities that I outlined in my statement. The overwhelming thrust of representations reinforce that view. Bodies and organisations running the health services on the ground are in favour of that pattern of reorganisation. It will be for the regions to put forward proposals for the structuring in their regions. My hon. Friend and others who have views should put them with all the force that they wish to the regional health authorities so that they can be taken into account.

**Mr. Pavitt:** The Secretary of State has made a wide-ranging and comprehensive statement, which will affect the whole of the National Health Service. It is the prelude to a number of statutory instruments arising from the Bill that will reach the statute book shortly. May we have an undertaking that the Secretary of State will consult the Leader of the House so that immediately after the recess we might have a full-scale debate on the matters which are too complex for a question and answer session?

The regional health authorities are to advise the Secretary of State on the boundaries for the new district health authorities. What is the position of Members of Parliament? Do we make our representations about boundaries to the regional health authorities? Will we have the opportunity, through a Select Committee for example, to discuss that matter?

Will the Secretary of State say more about coterminosity with the social services departments? The Secretary of State has made a hospital-oriented statement. What will happen to the family practitioner commitees? Will they be split up and become part of the district health authorities? In what way will the general practitioner be integrated with the new work? Will there be a further tier at hospital level comprising a committee governing the district general hospital, for example?

**Mr. Jenkin** I am grateful for the hon. Gentleman's welcome of the proposals. He will know that it was agreed earlier in the year that there should be a full day's debate at some stage which could be linked with the statutory instruments

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which carry into effect the first stage of the reorganisation. The precise date is a matter for the Leader of the House.

In the first instance the Regions will recommend boundaries after consultation. In the end I shall decide in any case over which there is a dispute.

"Patients First" makes it clear that it would be ideal if it were possible to have a viable district health authority coterminus with its local social services authority. There is wide-spread recognition that in 1974 the principle of coterminosity was elevated to the point where it operated to the detriment of the management of the Health Service.

The question of family practitioner committees will have to be considered when we know the district structures and to what extent it is necessary to make use of the powers in the Bill being considered in another place, which reorganises the family practitioner committees.

**Mr. McCrindle:** Is my right hon. Friend satisfied that the welcome moves that he has announced really will lead to a reduction in bureaucracy within the Health Service? Is he aware of the widespread fear that the staffs of the area health authorities will be queueing up to join the newly formed district authorities? Is he aware of the fear that the district authorities might start operating more highly staffed than is strictly necessary? When my right hon. Friend considers the composition of the community health councils, will he take into account the possibility of voluntary bodies being more prominently represented?

**Mr. Jenkin:** I am grateful for my hon. Friend's support. Our settled determination is to reduce the amount of bureaucracy in the National Health Service. We shall impose strict management cost limits and it will not be open to health authorities to overstaff their structures. There is widespread support for the view that voluntary bodies should be more fully represented on CHCs. That is one of the matters on which we shall consult interested bodies later in the year.

**Mr. Arthur Lewis:** I am the only hon. Member present who had the pleasure of voting for the Health Service, against the Tories, when it was introduced, and I was overlooked by you, Mr. Speaker. May I therefore congratulate the Secretary of State on retaining community health councils—a decision that gives my constituents and myself great pleasure? The right hon. Gentleman avoided the question of the hon. Member for Berwick-upon-Tweed (Mr. Beith) on costs. How many thousands of millions of pounds has "Joseph's folly" cost the Exchequer and the taxpayer? The Government wish to cut expenditure, and perhaps the right hon. Gentleman can later give us a figure for the cost of "Joseph's folly".

**Mr. Jenkin:** The hon. Gentleman will recognise that his second question, by its nature, is impossible of answer. There is widespread recognition that the structure is over-elaborate and cumbersome, which has hampered decision-making. Some very unkind remarks have been made about my right hon. Friend the Secretary of State for Industry, but at the same time Labour Members have been swift to praise community health councils. He invented them.

**Mr. Hordern:** Does my right hon. Friend recollect that when area health authorities were formed during the previous reorganisation of the Health Service the number of administrators increased by about 20,000, which was 25 per cent., in what my right hon. Friend describes as an unduly complicated structure, which the Labour Government did nothing to correct? As area health authorities are to be abolished, may we expect a commensurate reduction in administrators?

**Mr. Jenkin:** Although in Health Service terms people are called administrators, the great majority are managers. Competent and effective management is essential to manage £8 billion or £9 billion. We want to make sure that that management works within a structure in which it is possible to manage effectively. I believe that that will mean fewer administrators, which will in no sense reduce the enormous importance to be attached to the administrative function of managing the National Health Service.

**Mr. Joseph Dean:** As an ex-local authority member of an area health board, may I tell the Secretary of State that his proposals to increase the reduction from 20 per cent. to 25 per cent. will be greeted with dismay? Bearing in

mi[illegible]y recent experience, of which the right hon. Gentleman is aware, does he really believe that his proposals will democratise the Health Service? When I wrote to the right hon. Gentleman on 2 July I pointed out that the chairman of the Yorkshire regional health authority had refused point-blank to let me have, as a Member of Parliament for a Leeds constituency, the proposals that area health authorities were making in response to " Patients First ". Sir William Tweddle is answerable to no one, and apart from the refusal I have received only an acknowledgement card. May we be assured that we shall be given more consideration over these proposals?

**Mr. Jenkin:** There is not universal support for reducing the number of local authority members. However, apart from local authority associations, which wanted a measure of retention or increase, virtually everyone concerned primarily with the Health Service argued for much smaller health authorities and smaller local authority representation. That is the view that we accepted.

**Mr. Race:** How many?

**Mr. Jenkin:** The hon. Gentleman will be able to look at the summary of the responses to " Patients First " and make a judgment. Without wishing to comment on the issue raised by the hon. Member for Leeds, West (Mr. Dean), in the light of the consultations, regions have been taking informal soundings in their areas on how they might respond once they saw which way the wind was blowing. Those soundings are informal, purely to inform the administrators at regional level what may come forward. The formal consultations required by the circular that I am issuing today will take place on a wide and public basis, and Members of Parliament are included among those who will have to be consulted.

**Mr. Kershaw:** May I welcome my right hon. Friend's retention of community health councils, which is a prudent insurance? Will the greater independence that it is proposed to give to local bodies include the possibility of their collaboration with the private sector in medicine, if that seems to them to be a good idea?

**Mr. Jenkin:** We are consulting the Health Service on how best to bring forward collaboration with the private sector. It is not in the best interest of patients and people generally to maintain the medical apartheid that our predecessors invented. We wish to encourage collaboration in every way possible. I hope that the new local health authorities will be able effectively to carry that forward.

**Mr. Speaker:** Order. I propose to call the three Conservative Members who have been standing and four Labour Members.

**Mr. Faulds:** Has the right hon. Gentleman requested a letter of apology, regret and contrition from his right hon. Friend for having created the chaos, which he has a genius for doing with whatever he touches, by his original reorganisation of the NHS, from which the right hon. Gentleman is now trying to extricate us? If not, should he not do so?

**Mr. Jenkin:** The hon. Gentleman should recognise that one of the main purposes of my right hon. Friend's reorganisation six years ago was the much closer integration of hospital services, community services and primary care. That has been substantially achieved, and we are building on that achievement.

**Dr. Mawhinney:** May I congratulate my hon. Friend on his most welcome statement, which is not only moderate and sensible but puts patient care first? Does he plan to say anything about the ambulance service in the near future?

**Mr. Jenkin:** When my hon. Friend studies the circular he will see that there is a paragraph about services that are currently carried on at area or other levels. It will be for health authorities to make recommendations and to consult on how best those services can be carried on in the new structure. A whole range of options are open to them.

**Mr. Race:** Will the Secretary of State assure us that when the consultative document on community health councils is issued later this year there will be no proposal to reduce the statutory power of a CHC to refer a hospital closure to the Minister? Will he also assure us that there will be no attempt to reduce the proportion of local authority representatives on

[Mr. Race.]
community health councils? Can he confirm that regional health authorities will also be asked to make a 10 per cent. reduction in management costs, notwithstanding the amount of management expenditure that they incur at present?

**Mr. Jenkin:** With regard to the hon. Gentleman's question about the consultative paper on CHCs, I am sure that he will agree that both the points that he raises are matters on which it would be wise to consult a wide range of people before we determine the matter. It will be for the regions to decide in relation to each of the health authorities for which the management cost limit is imposed, what is the appropriate limit. It would be impossible for me to do that centrally.

**Mr. Latham:** Since the county of Leicestershire, with 800,000 people, which currently has one area and three district health authorities, will presumably have two or even three district health authorities under the proposals, will my right hon. Friend assure us that he will not allow bureaucratic co-ordinating committees to be set up to deal with the lack of coterminosity?

**Mr. Jenkin:** The word "flexibility" has shone through a great many of the representations that have been made. We have been asked to leave the maximum flexibility for local health authorities to decide on their own structure. The only statutory requirement will be to have a team of officers at district level and senior managers at hospital and community level, and to have a joint consultative committee. Apart from that, it will be for local health authorities to determine how best to organise their management structure, which will include the matter mentioned by my hon. Friend.

**Mr. Hardy:** Is it not clear that, whatever changes are made, the areas that receive an inadequate share of NHS resources will continue to experience severe need? South Yorkshire patients come second. In carrying out the changes, will the Secretary of State guarantee the improvement in provision without which no administrative change can be successful?

**Mr. Jenkin:** I am not sure that that arises out of the statement, but I refer the hon. Gentleman to the public expenditure White Paper, which prop[illegible] an increase in resources nationally of nearly 2 per cent. a year up to 1984.

**Mr. Michael Morris:** Is my right hon. Friend aware that the extent of his consultations on "Patients First" is widely welcomed? What safeguards are there for the district health authorities that disagree with the apportionment they receive from the regional health authority, as happens now, certainly in the Oxford region?

**Mr. Jenkin:** I have not detected that district health authorities are slow to bring their grievances to the attention of Ministers, either directly or through their Members, and that channel will remain open. In the end, the allocation by the regions must be a matter for them, because otherwise there would be an enormous mass of centralised decision making in my Department.

**Mr. McNally:** Where do health centres fit in to the right hon. Gentleman's general philosophy on primary care? Will he give an assurance that when an area authority is convinced that, because of low income or social stress, a health centre is needed in a particular area, there will be no attempt by the Government to dissuade it from going ahead?

**Mr. Jenkin:** Two factors that must dominate in deciding whether a health centre is built are whether there is a demand for it and whether it will be used effectively. If those criteria are satisfied and the resources are available, a health centre may be built. But too many health centres have stood empty or been used for other purposes. That is why we are taking a more cautious view on the building of health centres.

**Mr. Moyle:** No doubt the Secretary of State will agree that, apart from looking after patients first, one of the major arguments for reorganising the NHS is to improve staff morale. A series of officers of health authorities—laundry officers, catering officers, works officers and those in personnel and medical records, together with some nurses—are being organised on a functional basis which is to be swept away. They will be placed in district health authorities without a structured organisation underneath them. What action does the right hon.

Gentleman intend to take to protect those groups?

The right hon. Gentleman did not answer a question put by my right hon. Friend the Member for Salford, West (Mr. Orme). Will he institute a staff commission to look after the staff? After all, we calculate—and I should like the right hon. Gentleman's confirmation—that about 4,500 management jobs in the NHS in England are likely to go.

The right hon. Gentleman's proposal to subject community health councils to continual review will be regarded in the country as a rather clumsy attempt, which will fail, to emasculate bodies that should be essentially independent if they are to do their job. Does the right hon. Gentleman realise that his fragmented approach to the future planning of health services in London is not carrying the people of London and that that will lay up trouble for the future?

Will the right hon. Gentleman look again at the problems of community and social service planning? The organisation that he has introduced has made that much more difficult by moving away from coterminosity, reducing the number of local authority representatives on health authorities and making the institution of joint planning machinery between the two groups much more difficult. Is he aware that some district health authorities, covering populations of 150,000, will be too small to do their job?

**Mr. Jenkin:** The action to protect the groups to which the right hon. Gentleman referred is the subject of negotiation in the special negotiating group to which I referred. The question of a staff commission has been raised with me by the unions, but I am extremely loth to go for the sort of cumbersome, bureaucratic staff commission that was set up under the 1973 Act. I am certainly prepared to consider a national appeals procedure for the few cases that cannot be resolved through the regional appeals machinery.

There will not be a continuous review of CHCs. I said that it would be right to look at them again after some years. The councils can plan for the next few years on the basis that they have a clear function to perform.

We have been over the ground on the provision of health services in London, and I disagree with the right hon. Gentleman's views. I want to see reorganisation in London taking place, if possible, within the same time scale that applies to the rest of the country. The massive public inquiry that the Labour Party is advocating would make that impossible.

As for planning with social services, the logic of the right hon. Gentleman's question is that, if we are to keep a whole number of one-to-one coterminosity arrangements with every local authority, the NHS will retain its existing over-cumbersome, bureaucratic structure. The right hon. Gentleman cannot have it both ways.

**Dr. M. S. Miller:** On a point of order, Mr. Speaker. May I ask you whether, when future statements affecting England are made and we are promised by the Leader of the House that later statements will be made for Wales and Scotland, you will make that clear to us beforehand so that those of us who represent Scottish constituencies will know where we stand? Even those of us who represent Scottish constituencies have general interests affecting the NHS and we should like to have been brought into the debate.

**Mr. Speaker:** I understand the hon. Gentleman's feelings. I made the offer to the House earlier that I would call hon. Members from all parts of the United Kingdom. It was brushed aside and the demand for another statement continued. Another statement is about to be made, and the House has been given an assurance that there will be a statement on Scotland next week. I felt that I had better confine myself to calling those who represent English constituencies, and even so many English Members have not been called.

**Mr. Cryer:** On a point of order, Mr. Speaker. I wish to raise a point that I have raised on a number of previous occasions. I thank you if you have used your influence in getting the statement of the Secretary of State for Social Services deposited in the Vote Office today. You have demonstrated your sympathetic support for statements to be deposited in the Vote Office when they are made by a Minister to the House.

It was of assistance to have today's statement put in the Vote Office. The process was relatively painless for the

[Mr. Cryer.]
Government—at least as regards the depositing of the statement—and was helpful to Back Benchers. If you used your influence, Mr. Speaker, I urge you to continue to use it with other Ministries so that, as a matter of routine, most major statements are put in the Vote Office when they are made. It is a step forward and should be marked as such.

**Mr. Speaker:** I should tell the hon. Gentleman and the House that the virtue that he attributes to me belongs to the Leader of the House, because the statement was not deposited in the Vote Office as a result of pressure from me.

**Mr. Kenneth Lewis:** On a point of order, Mr. Speaker. As a mere Englishman, I am sorry to prolong the proceedings, but we are setting an unfortunate precedent if, when a statement is made by a United Kingdom Minister, statements on similar lines have to be made by the Secretaries of State for Scotland and Wales. I object to that. It is not in conformity with the best traditions of Parliament, and I hope that it will not happen again.

**Mr. Speaker:** With the name that the hon. Gentleman has the privilege of enjoying, he might have claimed to be Welsh.

**Mr. Parry:** On a point of order, Mr. Speaker. Would it be possible for you to call Members from the regions? We on Merseyside have hospitals being closed at a rate exceeded only by the rate of unemployment in Liverpool.

**Mr. Speaker:** Order. It will be intolerable if I am to be told that I must go into almost every constituency. The hon. Gentleman is not being fair to me. I have to think of the rest of the House. I called an hon. Member from Lancashire, as the hon. Member for Liverpool, Scotland Exchange (Mr. Parry) will see if he looks at the list.



## NATIONAL HEALTH SERVICE (WALES)

**The Secretary of State for Wales (Mr. Nicholas Edwards):** With permission, I should like to make a statement on changes in the organisation and management of the National Health Service in Wales.

I have today published a statement "The Structure and Management of the National Health Service in Wales" which sets out my preliminary conclusions following the consultations on "Patients First". I emphasise that these are preliminary conclusions, and, in effect, this is a consultative document.

It reaffirms my intention that responsibility for managing the Service should be delegated as close as possible to the point at which patient services are provided by creating a new system of strong health management units at local level. I confirm also that community health councils are to be retained as are the existing arrangements for administering family practitioner services. There has not been general support for the view that it is not necessary for Wales, in its particular circumstances, to suffer the upheaval of breaking up the existing eight area health authorities in order to get the benefits of good management. It is evident, however, that many people have not understood the full implications of the proposal to delegate management authority to health units. I have therefore concluded that before I make final decisions there should be further opportunity for comment in the light of the explanations in the statement and of local consultations about the pattern of health units. I am also inviting further comment on the arrangements at all Wales level, where I propose to set up an advisory Welsh health council comprising representatives of the health authorities, the professions and the Welsh National School of Medicine. My intention is that the council should meet in public thus facilitating public awareness of debates on major health issues. I also propose to promote further co-operative working between health authorities.

I wish to minimise continuing uncertainties, particularly for NHS staff, so I am asking that further comments be submitted to me by 31 December, and I would then hope to publish final decisions early in 1981.

Mr. Alec Jones: First, I hope that the Secretary of State has learnt a valuable lession this afternoon that, in the discussion of matters as important as this, it is not on to try to get away with it by dealing with it in a planted written question by an hon. Member who is not even present in the House. This is seen by Opposition Members as a matter of some considerable discourtesy because my hon. Friends have still not been able to obtain a copy of the parliamentary answer that the Secretary of State read out so eloquently, or a copy of the statement to which his answer refers.

Certainly, the Opposition welcome the decision to retain the community health councils in Wales, but we still suspect that these councils will have insufficient teeth. I notice in his statement, the Secretary of State for Social Services indicated that a consultation paper would be issued about the community health councils, their powers, their role and their membership. I would hope that there would be a similar consultation paper for Wales.

What consideration was given more fully to integrate the family practitioner committees into the area health authorities? I recall that when the NHS was reorganised in its present structure this matter demanded some attention.

I believe that the decision to set up an advisory Welsh health council is at least a step in the right direction, but I wonder why the Secretary of State has decided not to have an all-Wales health authority. Why not give the Welsh health council the powers that regional health authorities exercise in England?

Finally, I understand that the Secretary of State's statement indicates that there will be further discussion before the pattern of the health units is decided. All the arguments put forward this afternoon by the Secretary of State for Social Services apply equally in England as they do in Wales. If England is to have locally-based district health authorities, why should this not apply to Wales as well? We would like a much fuller explanation of that point.

The English statement referred to the present NHS structure as "unduly complicated". We do not want such a structure for Wales, but I am not convinced that the right hon. Gentleman's statement does much to ensure that we do not get it.

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Mr. Edwards: I assure the House that I was not attempting to get away with anything in not making a statement in the House. Genuine problems occur when there are three different Ministers responsible for similar subjects. We do not want to overload the House. The reason why I had not intended to make a statement is that we are issuing a new consultative document and there will be plenty of opportunity for hon. Members to make representations and debate the issues. I did not think that it was the best way forward to deal with the issues that are handled in this document simply by a quick exchange across the Floor of the House. I am not announcing any final decisions about the structure of the NHS in Wales this afternoon.

The right hon. Gentleman referred to community health councils having insufficient teeth. We propose, in at least one major respect, that they should be given an important new role. We are suggesting that in Wales they should establish sub-committees to work very closely with the new health units at local level so that we can inject into the management of the health units at local level a real participation by local people through the community health councils. This is an interesting development. We are putting forward suggestions and we shall welcome people's views. This is a real step forward and a major new role for CHCs in Wales.

On the question of family practitioner services, I do not believe that we received significant representations on this point in the round that we have had so far.

On the question of the regional body, there is a real difference between the situations in Wales and England. The relationship of the Minister with 14 different regions is clearly very different from that of the Secretary of State who has overall responsibility for the Health Service generally. He cannot step aside from the situation in Wales and his responsibility covers precisely the same area as the regions. There is the problem of avoiding unnecessary duplication of these two roles. The view has been held in the past that it would be a duplication of services and an unnecessary complication to set up a full-blown regional health authority. None the less wide representations were made to us about

[Mr. Edwards.]
the fact that the strategic role of the Welsh Office was insufficiently understood and appreciated, and there was insufficient opportunity for public debate of strategic decisions for Wales as a whole. We are trying to meet this difficulty by producing a committee that will come up from the health services underneath, so that the main constituent members of it will be the chairmen of the area health authorities. Others will be involved as well, including the medical profession. The committee will meet in public and will provide a forum for advice and debate that will be very valuable. This is a new proposal. We did not touch on it in our previous proposals and there will be every opportunity for consultation on it.

On the question of the pattern of health units and the structure of the NHS in Wales, we propose a precisely similar pattern at the lower level to that in England. We are not attempting to duplicate the districts, but the Welsh areas that we propose will be similar in size and role to the new districts in England. We propose exactly the same structure of powerful units between them, with the same management responsibilities and the same involvement in budgetary and administrative control at local level. We seek to achieve exactly the same ends in Wales as we hope to achieve in England.

I plead guilty to one mistake which has led to some of the misunderstandings. We did not publish a full document originally. By including a short passage in "Patients First" we have brought about some misunderstanding of our objectives, and that is precisely why we want to set the position out clearly and give the opportunity for a further round of consultation.

**Mr. Garel-Jones:** I welcome my right hon. Friend's statement. However, does he not agree that the discussions hold out a real hope, not only for Wales but for the rest of the United Kingdom, of an improvement in standards of service to patients? In particular, I welcome the suggestion of my right hon. Friend that community health councils should work in close contact with the new units.

I do not wish to raise the temperature, but does not my right hon. Friend feel that it is, perhaps, unfortunate that the Opposition should have chosen to [illegible]ate such an incident of the way in which this statement was made? I ask that particularly because the Labour Party has just published a draft manifesto which scarcely contains a reference to Wales at all.

**Mr. Edwards:** My hon. Friend's credentials entitling him to speak on Welsh affairs are unchallenged. I believe that the relationship that we propose between the community health councils and the new units offers an opportunity for local participation in the running of hospital, medical and related services. That is an important step forward.

**Mr. Rowlands:** Is the right hon. Gentleman aware that one of the reasons why we feel strongly that discourtesy has been displayed to us is that the consultative document referred to has not been placed even in the Vote Office? We are entitled to at least the same rights as people outside the House.

Turning to the contents of the statement, we feel that the advisory Welsh health council should have a strong and significant lay representation. Representation should not be confined to chairmanships of area health authorities. There should, possibly, be representatives on that advisory body from the community health councils. The AHCs represent the patient at the most obvious local level.

After the Secretary of State's statement, and his subsequent answers, we are confused about the exact relationship that will exist between area health authorities, whose powers we understand will be totally untouched, and the district health teams and structure. Has not the right hon. Gentleman received considerable representations to the effect that the district structure is closest to the needs, wishes and feelings of the local community and that power should be devolved from the powerful area health authorities to district authorities and that, as has happened in the past the responsibilities of district authorities should not be whittled away?

I hope that the Secretary of State intends to make clear exactly what the relationship between area and district will be.

**Mr. Edwards:** The council that we propose, and about which we are inviting

rep[illegible]tations, would include representatives [illegible] all the health authorities, the main professions and the Welsh National School of Medicine. The council will advise on strategic decisions and we think that it is right that its prime constituents should come from area health authorities which have responsibility in their parts of Wales.

On the matter of the relationship between area health authorities, districts and units, we believe that the proper way forward is to replace the existing district by strong management units. We contemplate that there will probably, be about 50 such units in Wales which will be truly local and be related to the main hospital facilities of an area.

Such bodies would have a strong management role with overall responsibility to the area authorities. But there will be real delegation of power and responsibility to the unit. Given that situation, with strong units, it is not self-evident that one could easily fit in an intervening round of districts. There are many parts of Wales where, if we did that, the obvious unit is the existing district. In my own constituency I think it likely that the natural unit would be based on Withybush hospital and the facilities in South Pembrokeshire and Preseli. Therefore, we would have a direct overlap between the district and the unit, which does not seem to make sense. We are putting forward proposals based on the existing structure of area health authorities, but with strong delegaton of powers to units.

However, to enable people to understand and assess the situation properly, we are asking the area health authorities to begin consultation now so that they can publish their plans for units in their areas. Thus people will be able to make judgments about the area and district structure against the background of a known, planned pattern of units. I think that that is the sensible way forward, but I emphasise that we attach great importance to unit management.

**Mr. Best:** I thank my right hon. Friend for giving such a full reply to what was, essentially, my written question to him. That question prompted this discussion. May I draw the attention of my right hon. Friend to two matters in the document? I think that Members on both sides of the House will agree that we must study it in closer detail before making any full comment on it.

**Mr. Alec Jones:** Where did you get it from?

**Mr. Best:** Some hon. Members are more assiduous than others.

**Mr. Ray Powell:** On a point of order, Mr. Deputy Speaker. The hon. Member for Anglesey (Mr. Best) is referring to a document which some Opposition Members have not seen. Is it in order for the hon. Member to refer to a document that we have not had the opportunity of examining?

**Mr. Best:** Further to that point of order, Mr. Deputy Speaker. I understand that there is a copy of the document on the board available to every Welsh hon. Member. If the hon. Member for Ogmore (Mr. Powell) has not gone to the board to collect his copy, that is a matter for him.

**Mr. Powell:** Further to that point of order, Mr. Deputy Speaker. I left the board scarcely a minute before the Secretary of State rose. There was no copy of that document on the board for me.

**Mr. Deputy Speaker (Mr. Bernard Weatherill):** I regret that I have no knowledge of the document to which the hon. Member for Anglesey (Mr. Best) is referring, or even whether it refers to the Secretary of State's statement.

**Mr. Best:** If my use of the document causes difficulty, I shall not refer to it. I turn to the issue of lay involvement. As I understand my right hon. Friend, he is saying that he wishes to see community health councils taking a greater role at unit management level. I understand that he contemplates, subject to consultation, appointing additional lay members to area health authorities. Will my right hon. Friend confirm that that is the case? If it is, I certainly welcome the proposal. I am sure that many other hon. Members will welcome a greater lay involvement in the management of the NHS in Wales. On many occasions, lay people feel that they are kept away from the management of the health service.

**Mr. Edwards:** In relation to the points of order just raised, it was intended to provide information by a written answer. Papers were sent out to go on the board

[Mr. Edwards.]

at 4 pm and I am sorry if hon. Members have not had the chance to collect their copies. We intended to get copies into the hands of right hon. and hon. Gentlemen at the earliest opportunity. It is precisely because this is a major consultative document that people will wish to consider it carefully. For that reason, we thought that the best way forward was to issue the document and allow people to think about it before we became involved in a series of exchanges.

We do not propose to make major changes in the membership of the area health authorities, although there may be some room for adjustment in size. I think that there is room for an interesting experiment in the involvement of community health councils in local management. By involving the community health councils in the affairs of their local units, I believe that lay participation will thus be brought into the Health Service at its most sensitive point. That is the point nearest to the patients.

**Mr. Alan Williams:** On a point of order, Mr. Deputy Speaker. I have been out to check the board. It appears that a wedge of envelopes arrived there but there was no indication that they were urgent or immediate. Therefore, they have been put into the post. That is not the fault of the attendants. There was no indication as to the urgency of the material. How is it that one Back Bench member has a copy when the copies intended for the rest of us are lost in the post? Will you investigate that, Mr. Deputy Speaker?

**Mr. Deputy Speaker:** It is an unfortunate matter, but it is not one of order for the Chair. The document is not essential. I am sorry that it is not available, but it is not for me to make documents of this nature available. The Secretary of State said that it is a consultative document. There is a heavy programme of business before the House and therefore I suggest that short answers and short questions will help.

**Mr. Ioan Evans:** We understand that the question was planted and that, since the hon. Member for Anglesey (Mr. Best) planted it, he should receive a planted answer——

**Mr. Best:** On a point of or[illegible] Mr. Deputy-Speaker. Is it within the rules of order for one hon. Member to accuse another of acting as some sort of Government lackey—[HON. MEMBERS: "Yes."]—The hon. Member for Aberdare may have been an unfortunate recipient of that treatment at some time in the past, but I hope that he will not accuse me of such action now.

**Mr. Deputy Speaker:** I have heard the phrase "planted question", but I do not really know what it is.

**Mr. Evans:** If I have accused the hon. Member for Anglesey of being approached by the Welsh Office or someone in it to table a question and that has not happened, I would be prepared to withdraw the accusation. I should prefer that he rose to deny the allegation before I withdrew it, however.

I realise that the Secretary of State has made an ad hoc statement. Welsh Members have a right, when the Secretary of State for Social Services makes a statement in respect of England, to have a statement dealing with Wales.

Since thit is an interim statement, will the Secretary of State for Wales, when he has preperaed his final recommendations, make that statement to the House? Why did the Secretary of State for Social Services make an eight page statement when the Secretary of State for Wales has made one only half a page long? Is the Secretary of State for Wales covering the same topics as his right hon. Friend?

Since there is strong support for the community health councils, in reaching his conclusions will the Secretary of State for Wales ensure that they are retained in the new structure? The earlier statement contained a reference to the possibility of a change in this respect in the long term.

Will the right hon. Gentleman ensure that if management costs are reduced the money that is allocated to the Health Service will be maintained at existing levels? If the advisory health council for Wales is set up will it replace any existing bodies? Is it to be a Government quango? If it is to be an advisory body will those serving on it be drawn from existing bodies in the NHS in Wales?

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**Mr. Edwards** I can give the undertaking that when we reach firm conclusions to put before the House about the pattern of the Health Service I shall make a statement to the House about them. We had not intended to do so today only because we were issuing a consultative document. That is also why my statement is different from that of my right hon. Friend the Secretary of State for Social Services who has announced a lot of firm conclusions for the Health Service in England. If the hon. Member for Aberdare (Mr. Evans) wants to compare the size of statements, he should bear in mind that I have issued a consultative document, the English language version of which runs to 23 pages. We can double that figure if we include the Welsh language version. He cannot complain, therefore, about the amount that he is getting.

We have made clear that we intend to retain the community health councils. That is firm, not provisional. Their role is being strengthened at unit level.

It is clearly to the advantage of the Health Service if it can reduce its administrative costs in every way. That will leave more money to be spent on patient care, and we all ought to be in favour of that. The all-Wales body will basically be composed of representatives of the area health authorities and of the professions, but that is a matter about which we are consulting in the document.

**Mr. Ray Powell:** Is the right hon. Gentleman aware that he has abused the House by not presenting a proper statement? It is impossible for us to examine the booklet today or to go through his statement in detail. If the closing date for consultation is to be 31 December, and if the bodies that he is to consult will be similar to those he consulted in respect of his first consultative document, when will he be able to inform the House or the Welsh Grand Committee of his final proposals?

**Mr. Edwards:** It is because there are difficulties in issuing a long and major consultative document that there is something to be said for simply issuing it and letting people consider it before we embark upon question and answer across the Floor of the House. I shall always come to the House when I have firm conclusions on which to be questioned. I sometimes wonder whether it is not to the benefit of the House with consultative documents for hon. Members to be given time to consider them and then to have the chance to debate them in the Welsh Grand Committee or somewhere else.

We shall complete our consultation by 31 December and announce our decisions early in the new year.

**Dr. Roger Thomas:** I am sure that Welsh Office Ministers will not be surprised that there is resentment in Wales that in the document "Patients First" Wales was dismissed in two comparatively short and complex paragraphs. As the only Welsh Member to sit on the Standing Committee examining the Health Services Bill, which is now being discussed in another place, I received a deluge of communications from all parts of Wales. The theme of those communications was a desire to get rid of area health authorities just as they are being abolished in England. I cannot understand why the Minister says that we in Wales should still have to tolerate these authorities, representing as they do an extra tier of administration.

**Mr. Edwards:** I have already acknowledged that I think that we made a mistake in not issuing a separate consultative document at the first round, which is why I have decided to issue one now. We have received for the first time a whole range of representation—the hon. Member for Carmarthen (Dr. Thomas) was involved in this—about the all-Wales area. This is a totally new issue on which we wish to take opinions.

I think it was precisely because we failed to make clear the strength and pattern of the units and their possible duplication with the district pattern that some of the representations were made on that aspect. I want to consult people on the basis of a unit pattern so that they put forward their views with a clear understanding of exactly what is proposed and what that will involve in their districts. We received many more representations from Dyfed than from the rest of Wales put together, and the hon. Member for Carmarthen will understand that. In our document we particularly asked for further views about the position in Dyfed.

## CONSETT STEELWORKS COMMON OWNERSHIP

5.20 pm

**Mr. David Watkins** (Consett): I beg to move

That leave be given to bring in a Bill to transfer the British Steel Corporation works at Consett to the control of the people working there; and for purposes connected therewith.

The background to my Bill is that the British Steel Corporation is proposing to close its Consett works at the end of September. It is a viable and profitable works with productivity among the best in Europe. If it were closed, 3,700 steel workers' jobs would be lost, plus many more in associated occupations. There is great opposition locally to that proposal, which is not surprising. With unemployment already at 14·9 per cent. in the area and rising, the consequences of the closure would be devastating.

It is coincidental, but important and worth mentioning, that on the very day that I seek the leave of the House to introduce the Bill, the representatives of the Consett steel workers are meeting the representatives of the British Steel Corporation in Middlesbrough to present their plans for the survival of the works. That is background to the Bill.

The Bill would establish a new enterprise. It might even revive a famous old name, the Consett Iron Company. It would not revive the old days when Consett was a classic example of a company town. The new company would reverse the old process of company dictatorship. It would be democratically owned and controlled by people working in it. As such a high proportion of people in Consett work there, it would be a notable example of local democracy.

In accordance with the terms of the Bill, the constitution of the enterprise would accord with section 2 of that powerful and pioneering piece of legislation, the Industrial Common Ownership Act 1976. I say with due modesty that I had the privilege of introducing that legislation as a Private Member's Bill, and of piloting it to the statute book with all-party support. The Bill would require the registrar to issue a certificate approving the new company as a body without share capital, limited by guarantee, and a bona fide co-operative society.



The registrar would also require to be satisfied that only persons employed there would be members, and that the rules would guarantee the right of all employees to be members with equal voting rights at meetings of the body. The Bill would contain provisions to ensure a continuing relationship with the British Steel Corporation,, but on a basis of mutual co-operation.

I turn to the financial aspects. No public expenditure would be involved. On the contrary, there would be a large saving. The Govenment have already announced, and are committed to, an expenditure of £12 million to attempt to encourage new industries into the Consett area, and a further £10 million to clear the site of the steelworks. If the works were closed there would be additional expenditure of more than £30 million in redundancy payments, plus large and continuing social security payments. I remind the House that the estimated Exchequer figure is that every unemployed family man costs Britain at least £4,000 a year.

The consequences of the closure, not only in immediate expenditure but in continuing social expenditure, would be very high indeed. The Bill would avoid that taking place. The same amount of money would effect the transfer of ownership, but there would be no actual physical expenditure of money. It would be a straightforward bookkeeping transaction.

I wish to emphasise strongly that the Bill would create an enterprise entirely different from the so-called workers' co-operatives. There are two great differences. First, the co-operatives were endeavours to save loss-making products of private ownership. The Bill is an endeavour to retain a viable, highly productive plant, and to maintain it in genuine public ownership. Secondly, the so-called co-operatives in reality never were co-operatives. They did not have bona fide legally defined co-operative constitutions. The new Consett Iron Company, as proposed in the Bill, would have precisely such a constitution.

I remind the House that since the 1976 Act there has been a rapid growth of common ownership enterprises in Britain. About 300 are registered at present. The Bill would extend that democratic form of ownership to a viable works whose