

CONFIDENTIAL

(1)

1) JIF: to see
2) p.a.

PRIME MINISTER

FUTURE OF OPTICAL SERVICES

DMS
17/11

H Committee considered yesterday proposals by Mr. Fowler on the future of optical services. His paper is at Flag A, and the H Committee minutes are at Flag B.

The Committee supported Mr. Fowler's package, the main ingredients of which are as follows:-

- (i) allow the Government to override professional rules on advertising, if they restrict commercial competition;
- (ii) allow non-opticians to sell glasses (but not to test sight or sell contact lenses);
- (iii) to remove the NHS duty to supply spectacles to the general public. (The duty to make provision for children and low income groups would remain).

The Secretary of State is seeking legislation in the current Session, and will be consulting the Lord Privy Seal about this.

Mr. Fowler expects his proposals to produce lower prices and significantly wider choice. Opticians' organisations are bound to take strong exception to (ii), and (iii) may well attract wider criticism. But there will undoubtedly be many people who would be quite happy to lose their "right" to cheap but unattractive NHS spectacles, if instead they could have private ones for less than they pay now.

Mr. Fowler proposes to make a statement on Monday. Agree, subject to a sight of the draft?

DMS

Yes not

CONFIDENTIAL

16 November 1983

Agreed n bpm
with Ferdie.

DMS
16/11

PRIME MINISTER

FUTURE OF OPTICAL SERVICES

We warmly welcome Norman Fowler's proposal to end the opticians' monopoly as agreed at the DHSS seminar of 16 September. Two minor points:

- (i) Advertising would be better settled by a code of practice drawn up jointly by the Government and the profession, with the Government retaining a reserve power to override or amend.
- (ii) The NHS duty to supply spectacles to the public ought not to be removed or limited until after the public has seen prices come down upon the ending of the monopoly. Otherwise, the opticians' lobby might be able to stir up public disquiet about yet another "health cut". At the cost of keeping the subsidy of £17 million for, say, one more year, we could make sure that this was a thoroughly popular reform.

fm

FERDINAND MOUNT
14 November 1983

FUTURE OF OPTICAL SERVICES

H Committee will consider this paper by Mr. Fowler on the Future of Optical Services tomorrow.

The Secretary of State seeks approval to legislation in this session's Social Security (Miscellaneous Provisions) Bill to:-

- (i) allow the Government to override professional rules on advertising, if they restrict commercial competition.
- (ii) allow non-opticians to sell glasses (but not to test sight or sell contact lenses),
- (iii) to remove the NHS duty to supply spectacles to the general public. (The duty to make provision for children and low income groups would remain).

Mr. Fowler expects his proposals to produce lower prices and significantly wider choice. Opticians' organisations are bound to take strong exception to (ii), and (iii) may well attract wider criticism. But there will undoubtedly be many people who would be quite happy to lose their "right" to cheap but unattractive NHS spectacles, if instead they could have private ones for less than they pay now.

MR. D. BARCLAY

14 November, 1983