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DEPARTMENT OF HEALTH & SOCIAL SECURITY

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From the Secretary of State for Social Services

David Barclay Esq
Private Secretary
10 Downing Street

22 November 1983

Note: Discussed with Steve Godber.

They will include a specific
reference to the age limit
of 16. Since this was the
only point raised by the PM,
I said there would be no objection
from here to their going ahead with
the statement.
SAG
22/11

Dear David

As you know, my Secretary to State decided to postpone the statement on optical services which I circulated under cover of my letter of 18 November to Andrew Turnbull. He would now like to make the statement on 28 November and I trust that you and copy addressees are content.

You told me that the Prime Minister had asked why the statement suggested that the restrictions to be imposed on dispensing to children would only apply to those under the age of ten. The reason for this is that the almost universal medical opinion is that no lasting damage can be done to anybody's sight by wearing defective glasses over the age of eight. The figure of ten was chosen to allow a reasonable margin. Any higher age would, therefore, unnecessarily restrict the advantages open to children to benefit from lower prices of private spectacles if they wished to buy them rather than use their entitlement to NHS provision.

My Secretary of State recognises, however, that the different age limits could be open to misinterpretation and could cause confusion. He has therefore decided to adopt an age limit of sixteen below which only registered opticians would be able to dispense.

I attach a further draft of the proposed statement for any further comments.

I am copying this letter and enclosure to John Gieve, John Graham, Colin Jones, John Lyon, Murdo MacLean, Charles Marshall, Janet Lewis-Jones, Ron Thompson and Richard Hatfield.

SAG
Gieve

S A Godber
Private Secretary

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DRAFT STATEMENT ON OPTICAL SERVICES

With permission, I will make a statement on the optical services.

2. Last December the Office of Fair Trading made a report on the effects of the 1958 Opticians Act upon competition in the supply of opticians services. They found that the restrictions imposed under that Act led to unduly limited competition and resulted in unnecessarily high prices. In particular the Office of Fair Trading criticised the rules limiting opticians' advertising and the monopoly on the supply of glasses granted to opticians and doctors. The Government accepts these conclusions, and believes that the interests of consumers would be better served by acting upon the OFT report. Accordingly the Government intends to bring forward legislation to deal with two main areas.

3. Firstly, we propose to take action on advertising. At present, the rules made by the General Optical Council allow no general advertising of the price of glasses or advertising on such matters as the speed of service. This handicaps the consumer who wishes to get the best value for money and also holds back the optician who can provide a better deal or wider choice. The General Optical Council did review their rules in the light of the report by the Office of Fair Trading, but the changes they proposed came nowhere near to those needed. Legislation will therefore be introduced to enable the rules operated by the General Optical Council to be amended to allow freer advertising. These powers will be used carefully. In particular we will draw a distinction between the professional function of sight-testing and the commercial activity of selling glasses.

4. Secondly, we propose to take action on the monopoly to dispense glasses. There is still a need for public protection in certain areas such as dispensing to children or fitting of contact lenses. However, all laws which create a monopoly have to be examined to see whether, under the cloak of public protection, there is not simply too much protection for the seller. We have concluded that this is the case with opticians. The legislation which I will be introducing will therefore allow non-opticians to sell glasses under carefully prescribed conditions. The conditions laid down will ensure that no risks are taken with people's sight. All sales will have to be made against a recent prescription, following a sight test by an appropriately qualified optician or doctor, and no-one other than a qualified optician or doctor will be able to sell glasses for children or to fit contact lenses. It is our intention to maintain the present arrangement for the registration of qualified opticians and the public will therefore be able to make a choice between the services of a registered optician and those of other competitors.

5. As to the General Ophthalmic Service, this has two functions. First, it provides free sight-tests by either an ophthalmic optician or a specially qualified doctor. We intend to continue this arrangement. Second, it provides a range of frames and lenses free to children and families on low incomes. This free provision will also continue. Other people who buy NHS glasses pay the full cost of these frames and a substantial proportion of the cost of their lenses and the dispensing of them. Most people, however, no longer use NHS frames [but buy private frames and lenses or have NHS lenses fitted to private frames].

6. The action I have announced on advertising and the end of the dispensing monopoly will, I believe, bring down the price of glasses. The NHS will continue to make arrangements to supply glasses to the exempt groups who now receive them free or at reduced cost. However, in the new situation, there will no longer be any need for the general supply of NHS glasses. The legislation I will shortly be introducing will give effect to this.

Mr Speaker, my rt hon Friends, the Secretaries of State for Scotland and Northern Ireland, will also be bringing forward proposals to give effect to these changes.

We believe that the changes I have announced will enable greater competition to take place and will have the effect of bringing down the price of glasses for the public.

Root Health,
Nov 83)
Optical Services

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