

PRIME MINISTER

Health Service Spending

You may have noticed the attached article in today's Times which reports a book by Professor Brian Abel-Smith who was Special Adviser to Barbara Castle and David Ennals. The essential hypothesis of this book seems to be that, contrary to media impressions, spending on the Health Service has increased and that the Government has protected the Health Service rather better than its continental counterparts. While I do not know if there is anything new in this book it is certainly worth having these assertions from a source such as Professor Abel-Smith. Accordingly David Willetts and I are getting hold of the book to see if we can quarry some useful questions and, more likely, speech material from it.

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Health service cuts compared favourably with Europe

By Nicholas Timmins Social Services Correspondent

The Conservatives have been much less tough in imposing health service cuts than other European governments, according to Professor Brian Abel-Smith, Professor of Social Administration at the London School of Economics.

Professor Abel-Smith, special adviser to Mrs Barbara Castle and Dr David Ennals when they were Labour Secretaries of State for Social Services, said that the media picture of the health service in the past five years was "one of successive cuts, increased charges, and long queues for vital services."

"In practice, however, the cuts have largely been in previously planned levels of growth. Overall spending on the NHS has increased considerably".

Charges, particularly for drugs, had risen more than inflation, but no new charges had been introduced.

Professor Abel-Smith said other European countries' growth in health spending had run well ahead of Britain's but

they have had to take really vigorous action to contain costs in the past two or three years.

Belgium, France, Germany and the Netherlands have introduced or increased charges for in-patients, for example, while Denmark is reducing hospital spending to the 1980 level. In Italy, budgets were cut in real terms in 1982 and 1983.

Professor Abel-Smith says that Britain starts from a much lower base than European counterparts, and spends appreciably less of its GNP on health.

Between 1966 and 1975, spending as a share of national resources rose by about 2.8 per cent a year. In the rest of Europe, it rose by between 3.5 and 7.4 per cent.

Between 1977 and 1982, however, the British figure rose to 3.1 per cent, while it declined markedly in most of the rest of Europe.

Cost Containment in Health Care: (Bedford Square Press £5.95; or £6.70 by post from Macdonald Evans, Estover Road, Plymouth PL6 7PZ)