

SUBJECT CC MASTER



fe sew

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

26 September 1986

Dear Tony,

DINNER WITH REGIONAL HEALTH AUTHORITY CHAIRMEN

The Prime Minister yesterday held a dinner for Regional Health Authority Chairmen. The guestlist is attached. The tone of the discussion was relaxed and positive.

Having welcomed the Chairmen, the Prime Minister said the objective must be to achieve the best possible service to patients. The achievements of the NHS were often too little recognised. Surveys showed that most people were very satisfied with the service they received. Nevertheless, it was clear that sometimes the NHS was failing to make the best possible use of resources. It was important that the NHS should be defended in public by the Regional Chairmen and others against criticism which was often unjustified.

Better service for the patient, including the problem of waiting lists

Introducing the discussion, Mr. R. D. Wilson, Chairman of the Mersey Health Authority, recognised that the problem of waiting lists had to be tackled with great energy. Some progress was being made by weeding out people who should not properly be on the lists. Beyond that, there was a need to provide people with a choice, and some authorities were investigating how to provide opportunities for patients to move between districts. Some districts were now opening on Saturday mornings and more was being done by means of out-patient treatments. It was also worth noting that not all waiting lists for particular operations represented serious problems. (The waiting list for plastic surgery to remove tattoos was mentioned later as an example.) More generally, a greater effort was being made to improve service to patients and help had been sought from companies including British Airways and Trust House Forte. A huge training effort was needed. There was a tendency for people to blame the Health Service, even when changes were being made which would lead to improvements, for example, the closure of old facilities as new ones were opened. But there was also criticism from within the Health Service, particularly from specialised groups, which did untold harm when it became public.

In discussion it was suggested that a particular concern was the delay between a GP referral and an appointment with a

12

consultant. This was a time of great anxiety and delay should be reduced as much as possible. There was a need to inform GPs about the different waiting periods in different areas, through GPs themselves often had direct links with particular consultants. It would be worth considering whether to make information about waiting lists more widely available to the public. The information need not be confined to particular districts or even regions: the NHS was a national service. It would be important that when patients were transferred between areas, the area providing the operation should receive proper payment. This would, among other things, allow the NHS more easily to buy service from private facilities. It was suggested that GPs maintained their own informal waiting lists. The more waiting lists in hospitals were reduced, the more people would be put forward by GPs. This could however be seen as a counsel of despair. Finally, it was noted that public criticism voiced from within the NHS often came from specialised consultants who might well have been refused resources by a peer group review. It was important to try to give them a wider perspective on their position.

It was agreed that all concerned should make every effort to rebut unjustified criticism of the NHS. People should, where necessary, be encouraged to take courses in how to handle relations with the media.

Improving management and efficiency

Sir Gordon Roberts, Oxford Health Authority, drew attention to the progress which had been made through the introduction of fixed term contracts and performance-related pay. Cost-improvement programmes were already releasing £150 million a year. However, progress was unlikely to continue at the rate of the past few years. There was still great scope for more contracting out. The analogy of the car industry with its many suppliers showed what might be possible. Contracts had themselves to be properly managed and NHS managers needed to improve their ability both to do this and to manage their staff. Management had overall improved immeasurably in the past five years.

In discussion, it was recognised that efficiency sometimes meant closing down small units. These should be offered to the local community to be run as charities. They could, in turn, sometimes provide useful back-up for the NHS.

Personnel and manpower

Mr. J. G. Ackers, West Midlands Health Authority, pointed out that the NHS now each year redeployed 1.4 percent of its staff. The scope for cutting manpower was limited: in many cases the people were the service.

It was noted in discussion that the NHS had made considerable strides in changing the composition of its employees. There was a need now to give people a greater sense of achievement.

Capital programme and estate management

Sir Peter Baldwin, South-East Thames Health Authority, drew attention to the importance to the NHS of sales of land and buildings. But arrangements had to be made for the NHS to move to a different site before existing sites could be sold. This called for skill in marshalling resources. The past few years had been relatively easy because individual sales had tended to be small, for example, residential property. They would now tend to be lumpier. The NHS would need to employ private consultants and to improve its own ability to manage such sales. Sir Peter also noted that maintenance had tended to be starved of funds in the past few years. There were still substantial gains to be made, for example, by action to improve fuel economy.

Hospital equipment and exports

The Prime Minister pointed to the need for greater standardisation of equipment ordering if the UK was to fulfil its potential for winning exports. Sir Michael Carlisle, Trent Health Authority, agreed that there was a huge opportunity for improvement. Information about equipment usage would be a tremendous help in deciding which areas to target. (The need for better information to be available to managers was in fact a theme throughout the discussion.) Proposals were in hand which would allow better prediction of capital needs. The management of NHS capital assets was "dreadful" and better plans for replacement were needed. Better management of smaller items was also a priority and a number of regions had opened new distribution centres. Standards were being reviewed. It would help if Government departments were to put pressure on European Community partners in this area. The quality of staff in purchasing was a major limitation which would need to be tackled.

In a discussion of the redistribution of resources brought about by RAWP, it was suggested that areas receiving resources showed little gratitude, while areas losing resources were loud in their complaints. On the other hand, many of the Regional Chairmen present agreed that RAWP had brought substantial benefits and should be continued. (Sir Peter Baldwin, however, while praising RAWP suggested that it was coming towards its end.)

The Prime Minister thanked the Regional Chairmen most warmly for the discussion.

Yours,

David

(DAVID NORRGROVE)

Tony Laurance, Esq.,
Department of Health and Social Security.



Yorkshire Regional Health Authority

Park Parade, Harrogate HG1 5AH Telephone:(0423-) 500066 Telex: 57670

From THE CHAIRMAN: BRYAN ASKEW

Ref: BA/MJC/KML

29 September 1986

The Right Honourable Margaret Thatcher MP
Prime Minister
10 Downing Street
London
SW1 2AA

R30

4
Dear Prime Minister,

Many thanks indeed for an excellent dinner last Thursday. It was a great pleasure and privilege and I was particularly pleased by your introductory remarks about the hip replacement activity in the York District.

I am delighted to pass on to Mr De Boer how pleased you are with his efforts. We can use him as an example throughout the Region.

Yours sincerely
Bryan Askew