



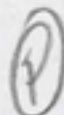
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Treasury Chambers, Parliament Street, SW1P 3AG

Tony Worthington Esq, MP  
Minister for Health and Social Services  
Northern Ireland Department of Health and Social Services  
Castle Buildings  
Stormont  
Belfast BT4 3PP

24 March 1998

Dear Minister



**CONSULTATION PAPER ON THE FUTURE OF THE HEALTH AND  
PERSONAL SOCIAL SERVICES IN NORTHERN IRELAND**

Thank you for copying me your letter to John Prescott dated 12 March seeking agreement to publish a consultation paper on the future of the Health and Personal Social Services in Northern Ireland.

2. In view of the scale of the changes you are considering, it makes good sense to issue your proposals in a consultation paper and plan for a longer implementation time frame. Each of the Great Britain NHS White Papers has taken a slightly different approach where differences in local circumstances warrant. I think the differences in



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approach you propose in Northern Ireland can be presented positively, as local adaptation of a common framework of policy principles. I see no need for the document to offer English, Scottish or Welsh alternatives to those you have developed by applying shared principles to the issues facing HPSS in Northern Ireland, and suggest you deal with the material on the other countries in a short annex. I think you should simply explain that the proposals for each country are different.

3. A number of the measures proposed in the consultation paper to improve the use of resources are very welcome: the drive to reduce administrative costs; your intention to publish comparative performance measures; and your intention to bring prescribing costs, and GP practice costs within cash-limits. If anything, the document should give greater emphasis to these and other steps you are taking to drive improvements in both quality and efficiency.

4. I also have some questions and comments on the issues of affordability and risk in relation to some aspects of the proposals, on which I would be grateful to receive your assurances before the consultation paper is published.

5. The structural change you propose in Northern Ireland appears to affect almost every HPSS organisation, and could entail significant transitional costs and disruption. It seems to me to be crucial to ensure that, before final decisions are made, proper costings are carried out so we can be confident that the new structures really do achieve administrative savings which outweigh the costs of change and yield demonstrable benefits for health and social services.





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6. Your consultation paper proposes combining the roles of commissioner and service providers in Local Care Agencies, in the interests of reducing the numbers of separate HPSS organisations. It will take careful management to make sure that the lines of accountability for these different roles are clear within LCAs. It would be helpful if you or your officials could clarify how you plan to minimise the risk of confusion or conflict between these roles.

7. The transition period - between the abolition of GP fundholding and its replacement with new arrangements - poses risks throughout the UK, if fundholders draw down their savings rapidly or if they lose motivation to keep within budgets for prescribing and referrals. I would be grateful if you could let me know what monitoring arrangements have been instituted and changes made to regulations, if necessary, to manage these risks in Northern Ireland.

8. I am pleased that you have included a target for administrative savings in the consultation paper. But it seems to me that it could be possible to set a higher target for Northern Ireland than £25 million - which is a simple pro-rata of the English target - over the life of the Parliament. The rationale for proposing much more fundamental structural change in HPSS in Northern Ireland than the English White Paper proposals, is that you face much higher administrative costs because of the large number of Trusts and commissioning organisations relative to population size. A higher target for administrative savings would make a stronger case for radical change, and release resources to achieve more visible service improvements. I would appreciate your views on whether a more ambitious target could be set.





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9. Finally, I would be grateful to receive your assurance that any financial pressures, including those faced up-front, arising from the changes proposed in the consultation paper can and will be met from the Block.

10. I am copying this letter to the Prime Minister, other members of HS and to Sir Richard Wilson.

*Yours sincerely*

*Paul Williams*

PD ALISTAIR DARLING

*(Approved by the Chief Secretary  
and signed in his absence)*