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-----REORGANISATION OF THE NATIONAL HEALTH SERVICEMemorandum by the Secretary of State for Scotland

I know that my colleagues recognise the difficulties likely to result from specific pledges on the future National Health Service (NHS) structure being given in England and Wales before decisions on similar topics can be announced for Scotland. Some differences of structure and administrative practice are inevitable and indeed desirable. There are, however, a number of issues where different policies on the two sides of the Border would clearly be difficult to justify. The most important such issues are the composition and method of appointment of the main new health authorities, on which it is clear that any important concessions in England will establish a pattern which Scotland will be expected to follow.

2. On the general issue of principle, I remain convinced that, since the Secretary of State will be responsible for the overwhelming preponderance of the finances of the NHS and will have to answer on the floor of the House for the efficiency of the Service, there is a clear prima facie case for establishing the new health authorities as his appointed agents. This could be reconciled - as at present with regional hospital boards - with a statutory obligation to ensure that a proportion of members come from a specified background or professional discipline; but this would still leave the Secretary of State substantial freedom to choose the people he thought best able to run the Service efficiently on his behalf.

3. I know there is considerable support for the view that, either on merits or as a matter of practical politics, it is not necessary to try to sustain a situation in which all health authority members would be appointed by the Secretary of State, and I have therefore mentioned this principle only to emphasise that even if we permit some direct appointment of members by local authorities and the NHS professions there is no reason why this should be carried so far as to undermine the agency relationship. Ministers should not be placed in the position of appearing to be directly responsible for the actions of bodies of which they have not appointed a majority of the members. I am therefore unimpressed by any arguments that direct outside appointments should equal or outnumber the members appointed by the Secretary of State.

4. Moreover, at the tactical level I think there are strong arguments against going so far in the forthcoming English Green Paper as has been suggested (one-third appointed by the Secretary of State, by the local authorities and by the professions). Publication of such a proposal will set the irreducible minimum that the interests will contemplate, and all the arguments and pressure will be directed to diminishing still further the Secretary of State's share. For example, the local authorities would doubtless think 40 per cent or 50 per cent better than the one-third proposed; and once the principle of a majority for the Secretary of State has been abandoned it is difficult to offer any convincing argument why he needs one-third of the places as opposed to a quarter or a fifth.

5. To summarise, therefore, my view is that both on grounds of principle and of expediency there is everything to be said for avoiding an unduly positive commitment on this matter in the second Green Paper. From the Scottish point of view this would have the added advantage of leaving the subject open for the separate discussions which will have to be held with the Scottish interests.

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