

010

SECRET



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Minister for Health

The Rt Hon The Viscount Whitelaw CH MC
The Lord President
Privy Council Office
68 Whitehall
London SW1A 2AT

[Oct '87]

Dea Willie,

NBA

NHS AND MEDICINES BILL

'H' Committee has already agreed proposals for this Bill intended mainly to give effect to Manifesto pledges in the primary care field - to improve health promotion and prevention of ill health and to increase the quality of services to the patient (H(87)12th). I am writing to seek the Committee's approval to include two further measures in the Bill, to enable us to follow through recent decisions in PES and in E(LA).

Income Generation

An important element of this year's health Public Expenditure Survey is an "income generation" initiative in the NHS. A recent Rayner type scrutiny identified a number of schemes which could generate additional income for health authorities. Authorities' powers in respect of some of them are, however, lacking or unclear. This must be remedied if the initiative is to achieve its full potential. This is expected to require two or three additional clauses.

Local Authority Training Grants

E(LA) has agreed the introduction in 1988/89 of a specific grant to promote the better training of social work staff. Present powers (under the 1968 Health Service and Public Health Act) to make such grants are restrictive, and in particular do not cover the very important area of child abuse. To remedy this would require one additional clause.

I would be grateful for your and colleagues agreement to these additional clauses by 27 October. Meanwhile work on instructions for Parliamentary Counsel is going ahead.

Copies of this go to members of 'H' Committee, to David Young, Sir Robert Armstrong and to No. 10.

TONY NEWTON