

cc Blp

PRIME MINISTER

NHS REVIEW

The next meeting of your NHS Review group is next Thursday 30 June. We do not yet have all the papers, but I enclose some material you may like to look at over the weekend.

At flag A, there is a very helpful note by Richard Wilson summarising the likely content of the Treasury and DHSS papers for the 30 June meeting. He also looks forward to the material likely to be available for the next meeting on 8 July (it will be the full morning plus lunch meeting).

The 30 June meeting will be the last one limited just to the existing members of the group. On 8 July the three territorial Ministers will join in. (As you requested, I invited Mr. Rifkind, but he is unable to come because of The Queen's visit to Scotland.)

At flag B is a note that Tom King has sent in anticipating his joining the group. A number of points he makes echo issues that already emerged during the review discussion. But there are a few particular points he brings out:

- (a) The fact that the management and organisation of all branches of the Health Service in Northern Ireland are much more integrated than in Great Britain. There may be lessons here that can be applied to Great Britain.
- (b) The suggestion that we should be moving away from annual pay settlements towards settlements covering two or three years.
- (c) He favours lotteries as a means of raising additional money, as is practised in the Republic. (I imagine you may have doubts about this.)

I do not think there is any need for you to make an immediate

response to Mr. King's minute. His paper, and the earlier one from Mr. Rifkind, (plus any notes Mr. Walker may send in), can be on the agenda for 8 July.

At flag c is a report that Lord Trafford has sent, in conjunction with three of the other participants at the first Chequers seminar - Ian McColl, Cyril Chantler and Clive Froggatt. This is a good document which helpfully picks up a number of points we are considering. I have already circulated it to other members of the Ministerial group. I enclose a brief reply you may like to send to Lord Trafford.

*Patricia A. Larkin*

*P* PAUL GRAY

*Duty Clerk.*

24 June 1988

PAMACG