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CEP

PRIME MINISTER

NHS REVIEW: MEETING ON 5 JANUARY

You were able to study the first draft of the NHS White Paper over the holiday. The meeting originally scheduled for 22 December will now take place tomorrow. We have allowed three hours.

There is a lot of paper to work through. I suggest you structure the discussion as follows.

The key handling paper is Richard Wilson's Steering Brief at Flag A. You have already seen this. It would be sensible to take the issues in the order he suggests, but you might like to divide the discussion into five separate agenda items. The relevant papers for each are in the dividers below.

ITEM 1 - OUTSTANDING REVIEW GROUP PAPERS

These are:

Flag B: HC 68. This sets out the agreed position reached by Messrs. Clarke and Major on drug budgets and control of GP numbers. It should be possible to take this as read.

Flag C: HC 69. This sets out the disagreed position between Messrs. Clarke and Major on GP practice budgets. Since this is the major outstanding policy issue I suggest you tackle it at the start of the meeting before we get into the detail of the draft White Paper. Your view is that the introduction of budgets for large GP practices is an important element of the review package; but that the present details as set out in chapter 3 of the draft White Paper are totally inadequate.

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ITEM 2 - DRAFT WHITE PAPER (EXCLUDING TERRITORIAL DEPARTMENTS)

You have already seen all the following papers except for Flag E:

Flag D: the existing draft (HC 67).

Flag E: my letter dated 3 January in which I have sought to summarise your main reactions. (I thought it would be helpful to give members of the Group some flavour of your views before the meeting). You will want to glance through the letter to check that I have not misrepresented you on any particular points.

Yes - you have done a marvellous job.

Flag F: the Cabinet Office brief

Flag G: the Cabinet Office check list of outstanding points from the Review Group's discussions.

Flag H: Policy Unit brief

Flag I: Treasury comments on the draft

I suggest you start this item by considering whether the broad structure and order of the White Paper is what you want. Then you can steadily work through the draft chapter by chapter.

You will want to consider how critical to be about the detailed drafting at this stage. It might be best to handle this in a low key way at the start, stressing that the priority for this meeting is to make sure the broad coverage, content and structure is right. Then, towards the end of the discussion, you might like to call for a major effort to improve the style and drafting of the White Paper, perhaps with the Cabinet Office playing an active role in polishing the final text (as I gather you have discussed with Robin Butler).

Two other points:

- you will want to keep the Cabinet Office check list (Flag G) to hand to ensure that outstanding points of substance are covered as you work through the draft;
- we are still missing any contribution from the Treasury on tax relief at the end of Chapter 10. My intelligence still is that the Chancellor is minded at this meeting to reopen the decisions reached by the Group in the summer (which, for security reasons, were deliberately not recorded at that stage). I suggest you do not raise this issue until we get to Chapter 10; that will distance the discussion from that under Item 1 on GP practice budgets, and make it more difficult for the Chancellor to try to win concessions by looking at GP practice budgets and tax relief as a package.

ITEM 3 - TERRITORIAL DEPARTMENTS MATERIAL

The further papers here (all of which you have seen before) are:

Flag J: Scotland

Flag K: Wales

Flag L: Northern Ireland

Flag M: Cabinet Office

Flag N: Policy Unit

Page 4 of my letter at Flag E is also relevant.

This will be a tricky discussion in which you need to bring Mr. Walker back more closely in line with the English position. I have sought to put the Welsh Office on notice by

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the comments in my Flag E letter.

ITEM 4 - PLANS ON PRESENTATION

There are no further circulated papers on this, but I suggest you work through the points set out in paragraph 3 of Richard Wilson's Steering Brief at Flag A.

ITEM 5 - TIMETABLE

The comments in paragraph 4 of Richard Wilson's Steering Brief are now overtaken. We have now arranged further meetings on the lines you agreed just before Christmas, ie:

- final meeting of Review Group on Tuesday 17 January.
- E(A) meeting on 24 January (conceivably this may need to be put off for a day if the Gorbachev visit proves to be from 22-24 January).
- Endorsement by Cabinet on Thursday 26 January.
- Publication by 31 January.

I suggest you stress the importance of sticking to this timetable, and of ensuring that the next draft of the White Paper is circulated by mid-day on Thursday 12 January so that members of the Group have the chance properly to study it before the 17 January meeting. And in view of the publicity on this morning's "Today" programme about the likely contents of the White Paper you might also stress the importance of tight security over its contents.

PAUL GRAY
4 January 1989

P.S. The Treasury has just submitted some ~~initial~~ introducing draft material on "An Efficient Health Service", together with a paragraph on the public expenditure implications of the Review.

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I have put this at the end of Folder 2 as a new flag "D".