PRIME MINISTER

MANAGEMENT ARRANGEMENTS FOR THE NHS IN SCOTLAND

You saw earlier in the month proposals from Malcolm Rifkind for the NHS management arrangements in Scotland. Following advice from the Policy Unit and Cabinet Office you authorised me to register a number of detailed comments and queries; these are set out in my letter at Flag A below.

Malcolm Rifkind's office have now responded to these points in the letter at  $Flag\ B$ .

The Cabinet Office (Flag C) advise that, although the Scots have responded carefully, they have adopted a generally positive tone on all the earlier points. They advise that, rather than making further detailed points at this stage, it would be better simply to reiterate your main concerns and ask for a progress report in three months (as has already been agreed for England).

A possible draft letter for me to send is attached to the <u>Flag C</u> minute. I have added to this one further point suggested by Ian Whitehead.

Content for me to minute out in the terms at Flag C?

PRCG.

(PAUL GRAY)

Tes me

23 June 1989

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