



## DEPARTMENT OF HEALTH &amp; SOCIAL SECURITY

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*From the Secretary of State for Social Services*

AO  
 I Ellison Esq  
 Private Secretary  
 Department of Industry  
 Ashdown House  
 123 Victoria Street  
 LONDON SW1

5 June

Dear Sir,

I enclose for the comments of your Secretary of State a copy of the draft report of the above mentioned scrutiny, which has been seen and approved by Sir Derek Rayner. The Prime Minister asked Sir Derek to take a special interest in this scrutiny on her behalf and accordingly Sir Derek has sent her a copy of the Report's summary of conclusions and recommendations (paragraphs 1.7 and 1.8, pages 307) together with his letter of approval.

My Secretary of State fully supports the main thrust of the report. He intends to seek the views of the main representative bodies of the exporting Companies concerned and the Department's Staff Side on its detailed recommendations, and at the same time to make available copies of the report on request by other interests - including the Press. But first he would very much welcome the preliminary views of your Secretary of State on the main thrust of the draft report and his intention to proceed towards the implementation of its recommendations in the following ways.

My Secretary of State proposes to put the report to the British Health-Care Export Council (BHEC), the Association of the British Pharmaceutical Industry (ABPI), the Proprietary Association of Great Britain (PAGB) and the British Consultants Bureau (BCB). These bodies would be invited to liaise together as appropriate and to seek, from other representative bodies or individual exporting Companies, whatever other views they judged essential and to meet officials from this Department as urgently as possible to discuss their emerging ideas and agree detailed proposals for action. The following are some of the main issues on which we would aim to seek particular views from Industry:

- the main thrust of the Report, to shift responsibility to Industry;
- the establishment of a small strategy making and liaison team, on which your Department might well be represented (paragraphs 1.8.1-1.8.4)

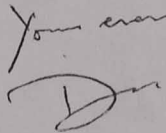
- the formation of a new working partnership between DHSS/NHS and Industry, with industry taking on much more of the lead role to which Government would be expected to respond (paragraphs 1.8.5 and 1.8.7)
- the expansion of the BHEC and/or the BCB, assisted by staff seconded and financed and other support from DHSS/NHS, to help to devise an overall export strategy for the health care industry and to accept responsibility for many of the tasks - including information gathering overseas and selection of UK firms to compete for overseas contracts - at present performed by DHSS (paragraph 1.8.6)
- the phasing out of present DHSS activities in support of health care exports, as a new working partnership with industry is developed (paragraph 1.8.8).

My Secretary of State thinks it will be important to make it clear to Industry that, if they will not take this on they must not expect to enjoy the continuation of the status quo; the Department proposes in any case to reduce its direct involvement in export promotion.

In order to keep up with the tight timetable required by the Rayner process and this scrutiny in particular, and to avoid premature disclosure of the contents of the report, my Secretary of State would like to have the views of your Minister by 16 June. Subject to these views, he would then propose immediately to consult the representatives of industry and the Department's Staff Side (and make available copies of the report to the Press and other interests), with a view to firming up the main points in the action plan (Part 4 and Appendix XI in the draft report) before the Summer Recess. The remainder of this financial year would then be taken up with the necessary transitional arrangements designed to bring the new, industry-led arrangements into effect during 1981/82.

It may assist you to know that the official in your Department who liaised with our scrutineer for this scrutiny was Mr Christopher Benjamin.

I am copying this letter and the draft report for comments to Private Secretaries to the Secretaries of State for FCO and Trade and the Chancellor of the Exchequer, the Lord President of the Council and the Chancellor of the Duchy of Lancaster, and I am sending a copy also to Sir Derek Rayner and to the Prime Minister's Office.



D BRERETON

- 5 JUN 1960

