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Prime Minister

DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522 ext 6981
From the Permanent Secretary
Sir Kenneth Stowe KCB CVO

5th July, 1983

Robin Butler Esq.,
10, Downing Street

Robin
- We shall
have to give
urgent attention to
the fundamental
issues.
ms.

Dear Robin.

BRIEFING FOR MINISTERS AFTER THE ELECTION

I have turned out the papers which I prepared for Norman Fowler on his return to the office after the Election. But looking at them again I think it best to send you the enclosed set, so that you can use them as you think fit.

The key paper is the Personal and Confidential minute of 11th June from me to the Secretary of State which covers the brief on Pay and Public Expenditure. I am sending you my own copies of these two documents. Only the Secretary of State has a copy of my minute and only the two other Permanent Secretaries and the Principal Finance Officer have copies of the Confidential Public Expenditure briefing. A quick reading will make it abundantly clear why I have confined these documents so closely.

It is important to understand that in my personal minute to Secretary of State (and in particular in paragraph 5 of it) I was picking up a theme which he and I had already been discussing before the Election and on which we have a good understanding as to where we want to drive the Department and the NHS. But neither of us underestimates the operational and especially the political hazards of so doing.

/As for ..

E. R.

As for the rest of the briefing, I think the slim green folder on the Management of the Department is interesting and easily assimilable; and the two big blue volumes are an interesting illustration of the depth and density of business in the DHSS bailiwick.

Yours ever,

Ken.

PERSONAL AND CONFIDENTIAL

Secretary of State

1. As we were saying before we were interrupted
2. The complete set of briefs which have been sent to each Minister's office covers familiar ground. You will probably want Mr Godber to arrange a programme of meetings, starting with the urgent discussion on The Queen's Speech. He has a timetable ready.
3. I have kept out of the briefing the really big issue - pay and public expenditure. You will see why when you read the attached brief on these closely related issues: it builds up to a PES bid for over £2 billion in a full year in the third year of the next PES round, ie in the year ending nearly four years from now, on the threshold of the next General Election. It is not a bid which the Chancellor, Chief Secretary and Prime Minister will be expecting, although the Treasury know well enough that it is inevitable since the Government's existing policies are flawed in a fundamental respect: there are now commitments on social services which cannot be squared with public expenditure plans as published and based on current forecasts or with commitments to reduce taxation by constraint on public expenditure.
4. I have kept this brief to very few people and will not distribute it further until you have considered how you want to handle it. It is, of course, very urgent: the PES will be taken at Cabinet in about six weeks.
5. This brings me to my main concern. The lesson to be learned from this Department about the last Parliament was that all the difficult decisions were deferred until the end of the third year - and then the issues had to be shelved or buried. You can see the same misery being generated in the public expenditure and pay brief. It makes every kind of political sense for you and your Ministerial colleagues to grapple with this now and to plan immediately what changes you want to bring about over the next two Sessions of Parliament (ending October 1985) so that you face the fourth year (starting November 1986) with established policies which are by then bearing fruit. My fear is that if we here do not start on this process very soon, events will again compel the Treasury/CPRS/Cabinet Office to do so but too late - and they will start from the assumption that it is the policies for the social services which must change - maybe they should, but there are other options, and the sooner we start to explore them the better.
6. I would welcome early discussion.

|| June 1983 .

K R STOWE

PRIVATE SECRETARIES TO MINISTERS

1. Briefs have been prepared for any new Ministers whom the Prime Minister may appoint. I am sending copies to all Ministers' offices so that each Minister, new or not, will have the same kit and know what was done. The briefs are:

i. The Organisation and Staffing of the Department - this outlines the major businesses for which the Department is responsible, sets out its organisation and shows the names and responsibilities of Under-Secretaries and above. It is based on the Prime Minister's FMI.

ii. Queen's Speech and Legislative Programme - this sets out the advice from Cabinet Office on the procedure and timetable for agreeing the Queen's Speech and legislative programme and proposals for DHSS contributions.

iii. The Main Brief - this i. sets out (Part A) the Government's Manifesto statements relevant to the Department; ii. sets out (Part B) more fully the legislative issues, expanding on the Queen's Speech folder; and iii. then summarises a wide range of issues - including some comparatively minor items - which require urgent consideration by Ministers, distinguishing between HPSS (Part C) Social Security (Part D) and Departmental (Part E). For each item there is a summary sheet explaining the issue, timetable and action proposed, and a background note.

iv. Medical Issues - Sir Henry Yellowlees, Chief Medical Officer, has provided a personal note on the main medical issues with which the Secretary of State will be concerned.

v. Summary Fact Sheets - this is an indexed set of single page summaries of resources and activities in the health and personal social services and the social security programme.

2. The briefing has been prepared under the supervision of the administrative Deputy Secretaries who, with their professional colleagues, will be ready to provide additional briefing and should be the first point of contact for further action.

3. Copies of this set of briefs have been distributed only to Under Secretaries (and professional equivalents) and above in the Department and to the Cabinet Office.

Alan Moran
for

K R STOWE

10 June 1983

**available
MONDAY*

Top Copy

(Copy No 1 : Mr Brexton)

BRIEFING FOR MINISTERS

(CONSERVATIVE)

Confidential Annex on Public Expenditure & NHS Pay

Secretary of State

You have Sir Kenneth Stowe's minute and the briefing pack which identifies the essential policy issues to be dealt with in coming weeks. The purpose of this note is to identify some more mundane - but still important - questions which should be settled quickly so that you and your Ministerial colleagues can get on with the real business with minimum distractions.

2. I assume that on Monday morning you will want to meet your Ministers and Permanent Secretaries to
 - i. deal with the Queen's Speech; and
 - ii. think about the next five years.

But before ii. you could usefully settle some of the questions below.

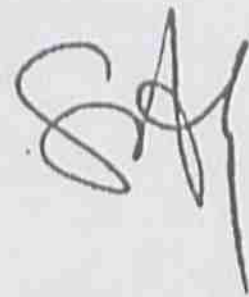
3. Programme for the first few days. I attach (flag A) an outline programme for dealing with the main business facing you. Are you content with
 - a. the proposed order?
 - b. Ministerial participation?
 - c. for weeks 2-3, the allocation of Ministerial leads?
4. Inherited commitments. Flag B gives a list of meetings with outside bodies which can be carried on with but which could be dropped if you wish - advice in general is to carry on. If you proceed, briefing and briefing meetings will need to be commissioned quickly. The list also identifies speaking commitments up to the end of July for all Ministers - you will wish to decide whether the allocation between Ministers is right.
5. Ministerial responsibilities. I attach a copy of the subject distribution between Ministers before the election. Do you wish to start from this basis - allowing junior Ministers to consider over the next week whether they want to make any changes?
6. Handling of Departmental business. Do you wish to give any fresh guidance on the handling of business? In particular

- i. submissions to be routed through junior Ministers?
- ii. PQs. Should answers to eg senior opposition spokesmen always be given by you?

7. Cabinet committees. You were a member of

- E(PS)P - Public Sector Pay
- E(PU) - Government Procurement Policy
- H - Home and Social Affairs
- MISC21 - Rate Support Grant
- 66 - Civil Service Pay
- 79 - Local Government Organisation and Finance.

Do you wish to seek membership of 'E' - for which there is a strong case?



S A GODBER

URGENT ISSUES FOR MINISTERIAL CONSIDERATION

Timetable	Subject	Ministers involved	Briefing	Comment
Day 1	Queen's speech	All	Separate folder	Response required by pm on Day 1
	Social Security Upgrading	S of S MS(SS) PS(SS) PS(L)	Confidential Annex Ch 4	Decisions on tactics needed. Operational decisions later in week 1.
Day 2?	Public Expenditure Survey		Confidential Annex Chs 2 and 3	First consideration of strategy and tactics.
	(a) Health (including long term resource assumptions)	S of S MS(H) PS(H) PS(L)		
	(b) Social Security	S of S MS(SS) PS(SS) PS(L)	Ch 5	
Day 3?	Legislation issues			
	(a) Social Security Policy Bill	S of S MS(SS) PS(SS) PS(L)	Main Brief Ch 6	Scope of Bill.
	(b) Family Practitioner Services	S of S MS(H) PS(H) PS(L)	Main Brief Chs 4 and 5	Timing and scope of legislation.
Rest of Week 1	NHS Pay	S of S	Confidential	Decisions on form of review body needed.
	(a) Nurses Review Body	MS(H)	Annex Chs 6-8	Approach to discussions with Unions.
	(b) Long term arrangements for other staff			
	Pharmaceutical Issues	S of S	Main Brief	Decisions on objectives of review.
	(a) Review of PPRS	MS(H)	Chs 13, 14 and 15	
	(b) generic substitution			
	(c) imported medicines			

Timetable	Subject	Ministers involved	Briefing	Comment
(No meetings needed)	Use of Commercial Contractors in the NHS	S of S	Main Brief Ch 21	Letter to Chief Sec needed to get VAT concession reinstated in Finance Bill.
	Housing Benefit Transitional Regulations	MS(SS)	Submission next week	Further regulations required.

ISSUES FOR CONSIDERATION IN WEEKS 2-3.

Subject	Ministers involved	Comment	Briefing
Commencement Orders for Health and Social Services and Social Security Adjudication Act 1984	MS(SS) MS(H)		ch 2 & 3 main brief
Implementation of Mental Health Act 1983	MS(H)	Commission has to be working by 1 September	ch 16 main brief
Rubella Immunisation Campaign	MS(H) PS(H)	September launch	ch 17 main brief
Response to Acheson report on primary care in inner cities	MS(H)	Notification to health authorities needed in July	ch 19 main brief
New NHS Spectacle Frames	MS(H)	Announcement needed before 1 July	ch 20 main brief
Assistance with Domestic Rates	S of S MS(SS)	Will be put to Cabinet shortly by DOE	ch 24 main brief
Housing benefit - admin subsidy	MS(SS)	Decision needed by July	ch 25 main brief
Pension age	S of S MS(SS) PS(H)	Response to Social Services Select Committee needed before Summer recess	ch 28 main brief
Review of General Ophthalmic Service	MS(H)	Decision on form and scope of review	ch 11 main brief

Subject	Ministers involved	Comment	Briefing
Review of Artificial Limb and Appliance Centres	S of S MS(SS)	Decisions on form and scope of review	ch 12 main brief
Child Care initiatives	MS(H)		ch 1 main brief
Occupational pension - disclosure - early leavers	S of S MS(SS)		ch 22 & 23 main brief
Social Security operational strategy	MS(SS) PS(SS)	Paper to H Committee needed	ch 26 main brief
Long-term cost of pensions	S of S MS(SS) PS(SS)	Response to Government Actuary's report	ch 27 main brief
DHSS manpower	S of S MS(H) MS(SS)		ch 29 main brief

Fm 1.

MAJOR MINISTERIAL MEETINGS AND ENGAGEMENTS

a. Meetings on which early decisions are required about whether to go ahead

Date	Meeting	Minister	Comment	Briefing
✓ 21 June	RHA Chairmen	S of S MS(S) PS(H)	Advice is to go ahead	Main brief Ch 8
✓ 24 June	NAHA AGM	S of S	Speech and questions. Who to do?	
28 June	TUC Health Services Cttee	S of S MS(H) PS(H)		
29 June	Chairmen and Directors of Social Services	S of S MS(H) PS(H) PS(SS)	Regular meeting	
29 June and 13 July	Regional Reviews (Yorkshire and NE Thames)	S of S MS(H) PS(H)	Need to consider how to carry review programme forward.	Main brief Ch 7

b. Other speeches in Ministers diaries

19-20 June	European Dialysis and Transplant Association	PS(H) PS(L)		
22 June	AGM of Parkinsons Disease Society	MS(SS)		
6 July	Royal College of Psychiatrists Dinner	MS(H)		
15 July	Association of CHCs AGM	MS(H)		
20 July	Royal College of Midwives Trust - ½ hour speech	S of S		

VACCINE DAMAGE PAYMENTS				
WAR PENSIONS AND ALLOWANCES	X			X
INDUSTRIAL INJURIES BENEFITS	X			
- INJURY BENEFIT				
- DISABLEMENT BENEFIT				
- RELATED BENEFITS AND ALLOWANCES				
NI CONTRIBUTIONS AND CREDITS	X			
REVIEW OF CONTRIBUTIONS BY THE SELF EMPLOYED				X
FRAUD AND ABUSE	X			
ADJUDICATION	X			
TAKE -UP OF BENEFITS			X	
OCCUPATIONAL PENSIONS				X
REGIONAL ORGANISATION			X	
OPERATIONAL STRATEGY AND COMPUTERS			X	
INTERNATIONAL RELATIONS	X			
RE-ESTABLISHMENT CENTRES			X	
VOLUNTARY SECTOR			X	

MINISTERS' DAY-TO-DAY RESPONSIBILITIES FOR SOCIAL SECURITY SUBJECTS: MARCH 1983

	<u>Minister for Social Security - Mr Rossi</u>	<u>Parliamentary Secretaries</u>	<u>Lord Trefg</u>
		<u>Mr Newton</u>	
PENSIONS			X
- RETIREMENT PENSION			
- WIDOWS BENEFITS			
- OVER 80s PENSION			
DEATH GRANT	X		
SHORT TERM BENEFITS			
- SICKNESS BENEFIT	X		
- UNEMPLOYMENT BENEFIT	X		
- MATERNITY BENEFITS		X	
EARNINGS RELATED SUPPLEMENT	X		
INVALIDITY BENEFITS	X		X*
CHILD SPECIAL ALLOWANCE		X	
DEPENDENCY BENEFITS		X	
OVERLAPPING BENEFITS		X	
STATUTORY SICK PAY	X		
FAMILY SUPPORT			
- CHILD BENEFIT		X	
- ONE PARENT BENEFIT		X	
- GUARDIANS ALLOWANCE		X	
- FAMILY INCOME SUPPLEMENT		X	
SUPPLEMENTARY BENEFITS		X	
HOUSING BENEFIT	X		
BENEFITS FOR THE DISABLED	X		
- ATTENDANCE ALLOWANCE			
- MOBILITY ALLOWANCE			
- INVALID CARE ALLOWANCE			
- NCIP			
HNCIP			

CLIENT GROUPS	Mr Clarke	Mr Finsberg	Ld Trefgarne	Mr New
Maternity and neonatal care				
- minimum standards	X			
- Maternity Services Advisory Committee	X			
Children's Services				
- health		X		
- personal social services				X
- adoption				X
- youth treatment centres				X
Mentally ill				
- Mental Health Bill			X	
- Regional Secure Units			X	
- Special Hospitals			X	
Mentally handicapped		MR ROSSI	X	
Elderly		X		
Physically Disabled		MR ROSSI		
HOSPITALS				
Hospital policy	X	X		
Hospital support services				
- contracting out		X		
Hospital scientific services				
- radiological protection (NRPB)			X	
- pathology			X	
- pharmacy			X	
- Public Health Laboratory Service			X	
- cancer			X	
Blood Products		X		
Waiting lists	X	X		
Particular services, specialties				
- orthopaedics	X	X		
- rehabilitation	X	X		
- organ transplants	X	X		
- renal dialysis	X	X		
"Unorthodox practices"				
- homeopathy		X		
- alternative medicine		X		

PRIVATE PRACTICE

- future of the JLC
- liaison with providents

PREVENTATIVE SERVICES

- prevention generally
(eg CHD booklet)
- Abortion
- Family planning
 - contraception and young people
- Smoking
- Health Education
- Environmental hazards
 - dangerous pathogens
- Fluoridation
- Vaccine damage

PRIMARY HEALTH CARE

- General medical practice
 - future of general practice
 - liaison/negotiations with GMSC, RCGP etc

Dental services

- dental strategy

Pharmaceutical services

- negotiations with PSNC
- professional inquiry into pharmacy

Ophthalmic services

- future charging arrangements
- redesign of NHS frames
- the "5 point" plan

LOCAL AUTHORITY SOCIAL SERVICES

- General policy on LASS
- Social work, including training
- Urban Programme, inner cities
- Policy on the family

	X			
	X			
	X	X		
	X	X		
	X	X		
	X	X		
	X	X		
	X	X		
	X	X		
	X			
	X			
	X		X	
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	X	X		
	X	X		
	X	X		
				X
				X
		X		X
				X

OPCS		X		
MEDICINES DIVISION AND REGULATIONS		X		
COMPUTERS	X		X	
RESEARCH		X		
HEALTH EXPORTS	X		X	
SUPPLY COUNCIL	X	X		
INTERNATIONAL RELATIONS	X	X		
DEPT MANAGEMENT		X		
GRANTS TO VOLUNTARY BODIES				X
HEALTH SERVICES MANAGEMENT AND REGIONAL LIAISON				
- Restructuring		X		
- FPCs		X		
- Special health authorities		X		
- Management costs		X		
- CHCs		X		
- Closures, other day-to-day business	X			
PERSONNEL (NHS)				
Doctors				
- medical career structure	X			
- doctors terms of service	X			
- overseas doctors	X			
Nurses	X			
PSMs		X		
Other professional and technical staff (eg engineers etc)		X		
Admin and clerical		X		
Ambulance staff		X		
Ancillaries		X		
NHS staff training arrangements		X		
Unemployment and Health	X	X		
Alcohol	X	X		
DHSS Property		X		
All Appointments		X		

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

BRIEFING FOR MINISTERS

CONFIDENTIAL ANNEX ON PUBLIC EXPENDITURE & NHS PAY

JUNE 1983