PRIME MINISTER

HEALTH

You are meeting Mr Newton and Sir Roy Griffiths to discuss the campaign which is being waged by the Opposition about health, and how to handle it.

Mr Newton's note begins by saying that you have asked for a note on financial pressures on health authorities and their effect on services. In fact I asked for a note on where the extra money the Government had provided was going. Instead, the DHSS have provided figures comparing 1988-89 with 1987-88, and are in effect using this to argue that the settlement they agreed during the Public Expenditure Survey is inadequate.

There are three levels at which to conduct the discussion:

- (i) the particular cases cited by newspapers like the Daily Mirror;
- (ii) how far there are particular bottlenecks which, if eased, would allow more effective use of existing resources;
- (iii) whether there really is a genuine shortage of resources or whether management is not being improved sufficiently fast.

On the individual cases, the answer must continue to be to discover the true facts and then to use lobby briefings and other means to try to correct misleading stories. This will always be difficult: newspapers which publish these stories are not interested in the truth.

Last year's initiative on waiting lists, which has continued this year, was designed to tackle bottlenecks. How far do they remain a problem and what scope is there for reallocating existing resources within the NHS to relieve them?

inefficient bureaucracies. It might also demonstrate what good management could achieve. The downside is that it could be presented as giving credibility to the perception of a cash strapped, hand-to-mouth health service that can only be kept going by emergency measures. You would therefore only want to take this approach if you were convinced the benefits could be achieved, and the problems highlighted by DHSS were too serious to be ignored. Conclusion

As well as asking for a fuller analysis of the <u>current</u> situation, you might ask Mr Newton to consider and report back on the practicality and political pros and cons of emergency management measures such as those outlined above.

However DHSS should be in no doubt that no additional resources can be negotiated - at least until a strategy for long term structural reform of the NHS has been agreed.

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