From: The Lord Trafford of Falmer Kt., FRCP. 1st June 1988 The Rt. Hon. Mrs Margaret Thatcher, MP, FRS, Prime Minister 10 Downing Street London SWIA 2AA My dear Prime Minister, I enclose a report which I have drawn up with other colleagues whom you invited to Chequers in March. have replied to the questions raised with us in a collective report rather than individually as we thought it might give you a better picture if we consolidated our contributions. I enclose a report which I have drawn up with other Throughout we have been very conscious that approximately one million voters relate to the NHS on any working day and that there is very strong public interest in your Review. We have tried to introduce elements of competition with financial incentives and penalties at all levels but we have also tried to avoid any further basic reorganisation of structure with the usual consequent disruption. We have emphasised the absolute necessity of proper Audit and have tried to make sure that there are built-in incentives, not only to encourage excellence but also to ensure the efficient and cost-effective delivery of health care. If there are any points you would wish to discuss or to have elaborated, or indeed if there is any way in which I can be of service, I should be pleased to do anything you ask. With best wishes to yourself and Denis. Jams ever

NHS: Expenditue pt 13