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CEBG

Prime Minister

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Richmond House, 79 Whitehall, London SW1A 2NS

Telephone 01-210 3000

From the Secretary of State for Social Services

I think the attached statement fully meets you with for a non-committed announcement. Content?

Paul Gray Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1

Yes

20 June 1988

REC6  
w/b

Dear Paul

REVIEW OF RAWP

Alor

Thank you for your letter of 16 June. My Secretary of State has now considered the terms of a statement on the publication of the Report on the RAWP Review. He proposes to handle this, as happened on the Interim Report, by way of an inspired PQ, and I enclose a draft of the reply he has in mind. Given the media interest, an accompanying press statement will be needed, couched in the same terms as the parliamentary reply.

It was agreed that the Minister for Health would also give further thought to the resource assumptions to be issued to health authorities as a basis for their 1989-90 plans. These will need to be determined on the basis of the existing formula. Ministers propose also to continue the approach of asking each Region to plan within a range of possible resource increases. Final decisions on allocations within these ranges could then be taken in December, in the light of all the relevant developments including progress on the NHS Review and any consequent decisions on the formula.

and the PES decisions!  
REC6

My Ministers would like to proceed with an early announcement. It would be helpful therefore to have your response as soon as possible.

I am copying this letter to John Shortridge (Welsh Office), David Watkins (Northern Ireland Office), David Crawley (Scottish Office), Miss Rutter (Office of the Chief Secretary to the Treasury) and to Trevor Woolley (Cabinet Office).

Yours sincerely,  
Geoffrey Podger

GEOFFREY PODGER  
Private Secretary



[Question: to ask the Secretary of State when he plans to publish the Report on the Review of the RAWP formula, and if he will make a statement.]

SUGGESTED REPLY

1. I am today publishing the NHS Management Board's final Report on its review of the Resource Allocation Working Party (RAWP) Formula, which is used to calculate funding targets for Regional Health Authorities in England. [Copies of the Report are available in the Vote Office].
2. The NHS Management Board were asked to explore the scope for improving the way in which the national RAWP formula measures relative need for health care across the country. The Board's Interim Report, published in December 1986, considered each element of the formula, identified aspects where there was scope for improvement, and recommended a programme of analysis and research. That work programme is now complete, and its results are set out in the final Report. I am grateful to the Management Board for this comprehensive study.
3. The Review of the RAWP Formula was already close to completion when the Government began its wide-ranging review of the NHS. The Government will consider the Report within the context of the wider review of the NHS.



