

ESPO



NBAM at his steps.

PLG  
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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Kenneth Clarke QC MP  
Secretary of State for Health  
Department of Health  
Richmond House  
79 Whitehall  
London  
SW1A 2NS

13 October 1988

Dear Secretary of State,

file with PG

**HEALTH AND MEDICINES BILL: A COMMERCIAL APPROACH TO NHS PROPERTY**

Thank you for your letter of 10 October. I am sorry not to have replied sooner, but it was not received in my office until the evening of Wednesday 12 October.

The new power which you propose for health authorities is very wide-ranging indeed. It has considerable potential ramifications for public expenditure control, and for the view we take of what activities are appropriate to the public and private sectors respectively. Even if it were acceptable on policy grounds - and I have simply not had the opportunity to consider it properly - it must be doubtful whether a new Clause of such novelty could be drafted in the time available. Nor can it be tactically wise to introduce such a Clause in manuscript at Lords Report stage of a Bill which has already been very controversial. I cannot therefore agree to what you propose.

I am copying this letter to the Prime Minister, members of H Committee and Sir Robin Butler.

Yours sincerely,  
P. Warless

pp JOHN MAJOR

[Approved by the Chief Secretary and signed in his absence.]

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