

PRIME MINISTER

NHS REVIEW MEETING: 16 DECEMBER

You have a two hour meeting tomorrow starting at 0830.

You had a chance to look at most of the papers earlier in the week.

The key paper for handling the meeting, which you have not seen before, is Richard Wilson's steering brief, immediately below this minute.

Most of the other papers are then organised in the five folders, corresponding to the five agenda items in Richard's brief:

Folder 1 - Pay and Conditions of NHS Staff - the one paper you have not seen is the Cabinet Office brief.

Folder 2 - Self-Governing Hospitals - you have seen all these papers.

Folder 3 - Private Capital - again you have seen all these papers.

Folder 4 - Managing the FPS - I am not sure if you have previously had a chance to look at the Cabinet Office brief, and you may want another look at the other papers on this item. One new paper is a further letter from DOH concerning the link between GP budgets and private practice. It may be under this item of the agenda that Treasury Ministers choose to launch their latest onslaught on budgets for large GP practices - see paragraph 4 of Richard Wilson's steering brief.

Folder 5 - Draft White Paper - you have not had a chance to look at the briefs.

Other Points

You will also want to note paragraph 5 of Richard Wilson's covering minute concerning tax concessions. The Chancellor may raise this. But even if he does not, I suggest that you raise it under item 5 as Richard suggests.

There are two further papers at the bottom of the folder below divider 5. These are notes by Malcolm Rifkind and Tom King.

Mr Rifkind is not coming to tomorrow's meeting, and his minute raises some detailed points relevant to all items of the agenda.

Mr King's paper also touches on points relevant to a number of agenda items. But you will see that, taken together, his proposal is that Northern Ireland should move a good deal more slowly with reforms package than England. He is echoing earlier comments in the same vein from Peter Walker about Wales.

You will want to consider whether to tackle the issue of disparities between the different territories at tomorrow's meeting. It is probably right that the position should not be identical in all parts of the UK. But there must be some limit to the extent of the differences.

Timetable

The priority for tomorrow is to settle the key policy issues on items 1-4. If time permits it would be nice also to get on to agenda item 5, the early drafting of the White Paper, but that is not essential. We have a further meeting next Thursday to consider the White Paper. But you will want to get it clearly understood tomorrow that a draft of the full White Paper will be available in good time for next week's

SECRET

-3-

C

meeting - at the very latest by Tuesday. You may also want to express a view tomorrow on whether the territories should be covered in separate chapters; I think that is what most of them would prefer, and it seems to me the right approach.

RCG.

Paul Gray

15 December 1988

MJ2CZQ