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PRIME MINISTER

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COMMUNITY CARE

Following your talk with Roy Griffiths earlier in the week you are seeing Ken Clarke tomorrow after Cabinet. I have also asked Richard Wilson and Ian Whitehead to come to the meeting. Then next week you have a further meeting with the full Ministerial group.

I attach a number of papers:

Flag A: a short note from Ken Clarke summarising his preferred solution - for the district health authorities to take over responsibility for community care.

Flag B: a note from Richard Wilson analysing the various possibilities, but pointing to the option of a phased approach - see particularly paragraphs 3 and 9-12.

Flag C: a note from Ian Whitehead, expressing cautious support for Ken Clarke's approach, but raising three key issues to pursue with him.

Flag D: a second note from Ian Whitehead attaching a paper from John Redwood. John sees substantial difficulties with either a local authority or health authority solution, and on balance advocates a 'social security model' - ie. basically building on the social security system's present responsibility for residential care costs. Ian suggests this approach merits further examination.

I also attach as background:

Flag E: record of your talk with Roy Griffiths.

Flag F: note of the first ministerial meeting.

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You will want to go through papers A to D. But, as we discussed after the Griffiths meeting, the issues remain very difficult to resolve. My own thoughts at the moment are:

- notwithstanding the points Roy Griffiths made to you it would be a mistake to follow his local authority model;
- 'do nothing' is not politically tenable following the long delay since publication of the Griffiths Report. But that does not mean it is necessary at this stage to make a firm commitment to a particular long term solution. The immediate political problem can be overcome with a short term package covering issues like the mentally ill/handicapped, moves towards a 'care test', improved help for domestic carers and some of the less contentious Griffiths proposals;
- in the short term budgetary responsibility for residential care should stay with social security offices, who would also have an important role in the administration of a new care test (but in consultation with other parties);
- in the longer term it may well be right to move down the health authority route. But no commitment to that is necessary or desirable now. A firm decision should await key elements in Richard Wilson's phased approach, such as the review of disability benefits.

*Sara Howe*

*ff.* PAUL GRAY

12 April 1989

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