PRIME MINISTER

PROGRESS WITH NHS REFORMS

You saw over the weekend the main papers for your bilateral talk with Ken Clarke tomorrow (summarised in my note immediately below). The one extra paper is the new Policy Unit note at Flag F.

This bilateral talk is in advance of the further meeting next week with the full NHS review team. So I suggest you focus tomorrow on general points rather than getting into too much detail. The Cabinet Office brief at Flag A provides a helpful list of points you may like to use as an agenda: though I would be inclined tomorrow to focus just on the issues raised by Mr. Clarke's main progress report paper (Flag B) rather than also covering issues in his further note at Flag C on NHS central management.

No other Ministers are attending tomorrow. But you will want to consider whether you want Richard Wilson (Cabinet Office) or Ian Whitehead (Policy Unit) also to sit in.

(i) Do you want just to have a meeting <u>a deux</u> with me as notetaker;

or

(ii) Do you also want Richard Wilson and Ian Whitehead to attend?

face PG

4 September, 1989.