PRIME MINISTER 20 April 1990

NHS REFORMS: MEETING WITH KENNETH CLARKE

Last night's two hour meeting with Kenneth Clarke went well.

David Wolfson was given a very fair hearing over his concerns

- expressed forcefully - on the dangers of proceeding too
quickly without the appropriate information base. And I
highlighted the problems we will inevitably face in London
due to the severe funding problems in some Thames' districts
(eg West Lambeth District Health Authority is £5 million
in debt).

Five main points emerged:

- Kenneth Clarke was emphatic that Caroline Cox's proposed amendment to restrict the reforms to two regions is a non-starter. This must be right,
- And he is still inclined to press ahead with the reforms at the present pace and, in his words, "to manage London very carefully to minimise the risk of turmoil".
- Yet he said he would arrange to meet Tony Grabham, the influential Chairman of the Joint Consulting Committee and possibly Dilwyn Williams, the President of the Conference of Royal Medical Colleges, to see if there is any common ground.
- Also, he has now set up a meeting for next Wednesday with some key members of the NHS Executive Board, and Graham Day and Roy Griffiths. This will be a stocktake to look at the progress towards the implementation of the reforms. This should hopefully be a springboard to examine the possibility of proceeding more carefully in some risky regions. I will be attending this meeting.

Kenneth Clarke feels it is too late to consider any alternative strategies before the House of Lords' vote on Caroline Cox's amendment next Tuesday (24 April). Also, I think he would prefer to negotiate from a position of strength, in the hope that the amendment is rejected next week. In summary, Kenneth Clarke is still reluctant to change the pace of implementation. But at least he has accepted the need to look more closely at the management problems. And he appears to be more willing to explore areas of common ground with the medical colleges to see if they will be less obstructive. Ia Willer IAN WHITEHEAD