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From the Secretary of

State for Health

The Rt Hon Norman Lamont MP
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON SW1

14 December 1989

Mr Norman,

1989 PUBLIC EXPENDITURE SURVEY: HEALTH AND PERSONAL SOCIAL SERVICES

WITH REQUEST IF RECOGNITION

Thank you for your letter of 6 November which I agree accurately reflects the outcome of our discussions.

I am grateful for your agreement to reallocation of provision between cash-limited programmes. I am not at present minded to make any significant adjustments but I should like to examine the implications of the settlement in more detail before taking any final decisions and would therefore like to keep this option open. My officials will, of course, keep you informed.

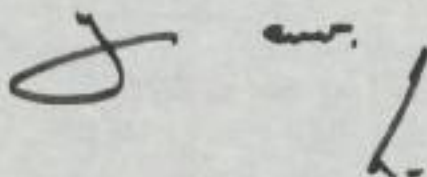
I am content that the resource consequences of next year's Review Body awards are considered in the usual way when the Reports are received.

My present expectation is that I shall wish to return to the question of PAMs training in the next Survey. In the meantime, I am asking my officials to pursue these proposals with yours so that any further preparatory work can be completed in advance. Any delay beyond 1991 in tackling the present levels of student support would have very serious consequences for recruitment to these professions.

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I welcome your agreement to look again at Main Estimate time at the latest figures on commitments on the cash limited elements of FPS expenditure. This is important if these are to be fully covered and the margin for growth to which we are also committed is to be maintained.

Copies of this letter go to the Prime Minister, Peter Brooke, Malcolm Rifkind and Peter Walker.



KENNETH CLARKE

