

PRIME MINISTER

I have been alerted to the possibility that there might appear in the press tomorrow stories that DHSS is considering restrictions on the eligibility of low income groups for prescription charges. This is the result of a Rayner scrutiny of benefit arrangements generally for those on low incomes just above the supplementary benefit level. The scrutiny team apparently concluded that prescription exemptions for this group were characterised by low take up, and as such were not cost effective. They suggested, therefore, abolishing the exemption. The report is before Ministers, who have not reached any conclusions.

The report, so far as I can gather, was not leaked. Apparently (and this is still to be confirmed), either a senior official or Parliamentary Secretary in DHSS authorised its circulation to, amongst other people, the unions. At first sight this seems pretty daft. The point of Rayner scrutinies is to examine all the possible options. Thinking the unthinkable is allright in private, but tends to be rather damaging when done in public. We and DHSS are briefing, if approached, to the effect that this is one of a vast range of proposals by officials on which Ministers have reached no conclusions and that it is the job of Rayner scrutinies to examine all the possible options. So far, there have been relatively few enquiries. But the possibility of another DHSS blooper cannot be ruled out.

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