PRIME MINISTER

## GPs' CONTRACT: TARGETS

You discussed with Messrs. Clarke and Rifkind earlier this week the proposed arrangements for targets for immunisation and cervical cytology in the new GPs' contract. With support from Malcolm Rifkind you urged Ken Clarke to reconsider both his general approach and in particular the drafting of his "Dear Colleague" letter.

Ken Clarke has now responded. His minute at Flag A sets out his latest views and attaches a revised "Dear Colleague" letter. He continues to argue that, since it is only 10 days before the new contract is introduced, it would be wrong to change it at this stage. He proposes to review the operation of the targets after the first quarter.

Malcolm Rifkind (Flag B) continues to be unimpressed by these arguments. He still urges the adoption of "signing out" - and possibly from 1991-92 onwards the introduction of a sliding scale approach.

Ian Whitehead (Flag C) also still questions the Clarke approach.

I assume that, on merit you would still want Mr. Clarke to modify his approach. But the position is complicated by the tight timetable for the new contract. So the balance to be struck is between:

(i) reluctantly accepting Mr. Clarke's proposal to press ahead to have an early review. If so, you will want to consider separately whether you are content with the revised "Dear Colleague" letter;

(ii) press Ken Clarke, notwithstanding the tight timetable, to consider further with Malcolm Rifkind amendments of the targets or the introduction of "signing out" with immediate effect.

Which option would you prefer?

PAUL GRAY
23 March 1990

I will be content with an early review because the timetable is so tight MT