

SECRET

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PRIME MINISTER

22 NOVEMBER 1988

CONSULTANTS' CONTRACTS

LETTER FROM KENNETH CLARKE

Kenneth Clarke will need to clarify the precise meaning of the fifth point in his letter.

What does it mean when he states that "general managers will have 'greater influence over incentives to better performance' and that 'Managers' influence will be increased by our decision to widen the criteria for future awards'?

Who will have the final say? Will the doctors form a club and spread the distribution awards evenly?

Surely, the Governing Board of a self-governing hospital or the District Health Authority in the case of a DHA-run hospital should have the final say, with input on the quality of patient care from a peer group of clinicians.

*Ia Whitehead*

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