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Confidential Filip

Reappointment and Remuneration  
of Area Health Authority Chairmen

NATIONAL  
HEALTH

May 1981

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>29.5.81</del>							
<del>18.6.81</del>							
<del>24.11.81</del>							
Jan 83							
<del>18.1.84</del>							
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PREM 19/1857



CC 30



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GWYDYR HOUSE

WHITEHALL LONDON SW1A 2ER

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01-233 6106 (Llinell Union)

Oddi wrth Ysgrifennydd Gwladol Cymru

WELSH OFFICE

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WHITEHALL LONDON SW1A 2ER

Tel. 01-233 3000 (Switchboard)  
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From The Secretary of State for Wales

The Rt Hon Nicholas Edwards MP

28 January 1986

*Dr Barry*

*NBN*

**HONORARIUM OF HEALTH AUTHORITY CHAIRMEN**

I have seen your letter of 21 December to George Younger about increasing the remuneration of Health Authority Chairmen in line with TSRB 22. I agree that the new rates should be implemented as you suggest.

My understanding is that SHHD has already started collecting information relevant to a review of the future level of remuneration of Chairmen. I think that there would be advantages in moving forward with such a review throughout the country.

/ I am copying this letter to the Prime Minister, the Secretaries of State for Scotland and Northern Ireland and the Chief Secretary.

*John*

*NBN*

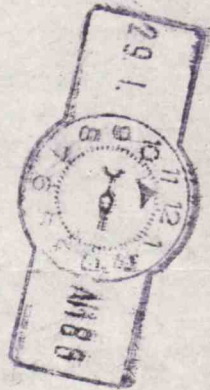
The Rt Hon Barney Hayhoe MP  
Minister for Health



NAT HEALTH

HEALTH CHAIRMAN

5/81







**DEPARTMENT OF HEALTH AND SOCIAL SECURITY**

Alexander Fleming House, Elephant & Castle, London SE1 6BY  
Telephone 01-407 5522

*From the Minister for Health*

The Rt Hon George Younger MP  
Secretary of State for Scotland  
Scottish Office  
Dover House  
Whitehall

*NRB*  
21<sup>st</sup> December 1985

*George Younger*

**HONORARIUM OF HEALTH AUTHORITY CHAIRMEN**

I am sorry you have not had an earlier reply to your letter of 27 September to Norman Fowler. We wanted to await resolution of other NHS pay issues before moving forward with this.

I fully agree with your view that health authority Chairmen should receive in full the new rates arising from the TRSB Report No 22, which have been approved by the Treasury. I therefore propose to implement increases to £9651 (7.6 per cent) from 1 July 1985 and to £10326 (a further 7 per cent) from 1 March 1986. Perhaps your officials could consult with mine about the timing of the issue of the new rates?

As you have pointed out, we will, of course, need to look at the remuneration of health authority Chairmen in the longer term.

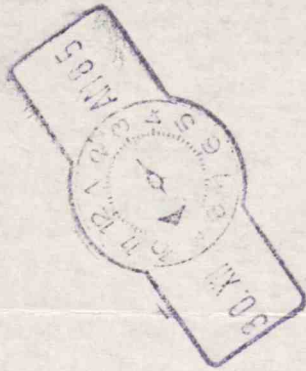
Copies of this letter go to the Prime Minister, the Secretaries of State for Wales and Northern Ireland and the Chief Secretary.

*Barney Hayhoe*  
BARNEY HAYHOE



NAT HEALTH

CHAIRMAN 5/87







CF

cc no

NEW ST. ANDREW'S HOUSE  
ST. JAMES CENTRE  
EDINBURGH EH1 3SX

NBPP at Kirkcaldy.

The Rt Hon Norman Fowler MP  
Secretary of State for Social Services  
Alexander Fleming House  
Elephant and Castle  
London  
SE1 6BY

27 September 1985

Dear Norman,

PAY OF HEALTH AUTHORITY CHAIRMEN

In April of this year we agreed that the remuneration of health authority Chairmen should be reviewed in the longer term, and our officials are currently working on this issue.

In the meantime, the Treasury has approved increases consequential on TSRB Report No 22 and I am anxious to recognise without delay the considerable additional efforts which Chairmen have made and are continuing to make to introduce general management in Health Boards. I therefore propose to implement the relevant increases (7.6% from 1 July 1985, with a further 7% from 1 March 1986) as soon as possible. I hope that you see no objection to this course of action.

Copies of this letter go to the Prime Minister, the Secretaries of State for Wales and Northern Ireland and the Chief Secretary.

Yours sincerely,  
George.

NATIONAL HEALTH  
HEALTH AUTHORITY  
CHAIRMEN



The following names are listed in the  
minutes of the meeting held on  
the 15th day of June 1951  
at the National Health Authority  
Headquarters, London

1951-1952

MEMBERS OF THE AUTHORITY

The following names are listed in the  
minutes of the meeting held on  
the 15th day of June 1951  
at the National Health Authority  
Headquarters, London

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minutes of the meeting held on  
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at the National Health Authority  
Headquarters, London





SECRETARY OF STATE  
FOR  
NORTHERN IRELAND

NORTHERN IRELAND OFFICE  
WHITEHALL  
LONDON SW1A 2AZ

*W.D.P.M. AT 11.5*  
*CCAD*

The Rt Hon Norman Fowler MP  
Secretary of State for Social Services  
Department of Health and Social Security  
Alexander Fleming House  
Elephant and Castle  
LONDON  
SE1 6BY

29<sup>th</sup> April 1985

*Dear Secretary of State,*

PAY OF HEALTH AUTHORITY CHAIRMEN

I have seen your letter of 4 April to George Younger about the proposed increase in the honorarium paid to Health Authority Chairmen and I understand your proposal is subject to the agreement of colleagues.

I agree that, in line with TSRB recommendations, the level of honorarium should be increased by 3% from 1 April 1984 with a further increase of 3.4% from 1 November 1984.

With regard to the future level of remuneration of Chairmen, I agree with your suggestion that this should be reviewed in the context of the Management Inquiry's report. This should not, however, delay the implementation of the 1984 award and I propose to apply the increases to Chairmen of equivalent bodies in Northern Ireland.

The honoraria paid to Chairmen of the Health and Social Services Boards in Northern Ireland are linked to those paid to Scottish Chairmen. If the basis for calculating the honoraria paid to Scottish Chairmen is changed, I should want to consider the need to apply a similar adjustment in Northern Ireland.

I am copying this letter to the Prime Minister, the Secretaries of State for Scotland and Wales and the Chief Secretary.

*Yours sincerely*  
*N. Ward*  
*Private Secretary*

*for*

D.H.

(Approved by the Secretary of State and signed in his absence in Belfast)



NAT HEALTH . Remuneration  
of AHA Chairmer : May 1981

ET MAY 1985

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WBM NT 25/4



Y SWYDDFA GYMREIG  
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Tel. 01-233 3000 (Switchboard)  
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From The Secretary of State for Wales

The Rt Hon Nicholas Edwards MP

25<sup>th</sup> April 1985

*N Edwards*

**PAY OF HEALTH AUTHORITY CHAIRMEN**

*with AT*

I have seen your letter of 4 April to George Younger suggesting that the recommendations in TSRB report number 21 should be implemented.

I agree with you that, while the intended review should wait until the management changes have become established throughout the NHS, there are no grounds for reducing the Chairmen's increases below the rates recommended and approved by the Treasury.

/ I am copying this letter to the Prime Minister, the Secretary of State for Northern Ireland and the Chief Secretary.

*for com*  
*N Fowler*

The Rt Hon Norman Fowler MP  
Secretary of State for Social Services

NAT Health Chairman  
Health Auth. May 21

25 APR 1965

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MM  
RT 2/14  
to

SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Norman Fowler MP  
Secretary of State for Social Services  
DHSS  
Alexander Fleming House  
Elephant and Castle  
LONDON  
SE1 6BY

25 April 1985

Dear Norman,

PAY OF HEALTH AUTHORITY CHAIRMEN

Thank you for your letter of 4 April.

I agree that we should increase the remuneration of Chairmen in line with the TSRB recommendations, by 3% from 1 April 1984 with a further increase of 3.4% from 1 November 1984.

As I said in my letter of 18 January last year, we are bound to review the basis of the remuneration of health authority Chairmen in the context of the implementation of general management. We are particularly concerned that our Chairmen generally speaking are paid less than their English counterparts and we would hope to rectify this anomaly in a review of Chairmen's remuneration. Meantime, I share your view that we should implement the 1984 award without delay.

Copies of this letter go to the Prime Minister, the Secretaries of State for Wales and Northern Ireland and to the Chief Secretary.

Yours wes,  
George.

NAT HEALTH: Health Auth. Chairmen

May 81

25 APR '95

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6 7 8 9 10





DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
Alexander Fleming House, Elephant & Castle, London SE1 6BY  
Telephone 01-407 5522

*From the Secretary of State for Social Services*

The Rt Hon George Younger MP  
Secretary of State for Scotland  
Scottish Office  
Dover House  
Whitehall  
LONDON  
SW1A 2AU

4 April 1985 *NS my*

*George*

PAY OF HEALTH AUTHORITY CHAIRMEN

*will request of reg.*  
In my letter to you of 4 January 1984, I said that I believed that for the longer term the remuneration of health authority Chairmen should be reviewed in the context of the Management Inquiry's report. That remains my view. But the management changes will clearly need some time to work through before the role of Chairmen finally settles down, and this is in any case a matter on which I should want Victor Paige's views when he has had time to assess the situation. In the meantime, I do not think we should deny Chairmen the increases in their present honorarium following from TSRB report number 21, which have been approved by the Treasury. I therefore propose to implement those increases to £8,676 (3 per cent) from 1 April 1984 and to £8,970 (a further 3.4 per cent) from 1 November 1984.

Copies of this letter go to the Prime Minister, the Secretaries of State for Wales and Northern Ireland and the Chief Secretary.

*Younger*  
*Norman Fowler*  
NORMAN FOWLER

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29 APR 1955





NBSM

~~CENO~~

AT 17/5

Treasury Chambers, Parliament Street, SW1P 3AG

Private Secretary to  
The Rt Hon Kenneth Clarke QC MP  
Minister for Health  
Department of Health & Social Security  
Alexander Fleming House  
Elephant and Castle  
LONDON SE1 6BY

16 May 1984

*Dear Private Secretary*

PAY OF NATIONAL HEALTH AUTHORITY CHAIRMEN

The Minister of State has asked me to thank you for your Minister's letter of 10 April.

He notes that it is intended to apply the increase derived from TSRB Report No 19 as soon as possible and that there will not be an announcement of the increase.

I am copying this to the Private Secretaries to the Prime Minister, George Younger, Nicholas Edwards and Jim Prior.

*Yours*

*M E Corcoran*

M E CORCORAN  
Private Secretary

Nat Health: Local Authority Chairman May 81.



17 MAY 1984



NBPM AT 9/4

CC NO



**DEPARTMENT OF HEALTH AND SOCIAL SECURITY**

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

*From the Minister for Health*

Barney Hayhoe Esq MP  
Minister of State  
Treasury Chambers  
Parliament Street  
London  
SW1P 3AG

10.4.84

*Dear Barney,*

PAY OF HEALTH AUTHORITY CHAIRMEN

Thank you for your letter of 13 February to Norman Fowler.

We appreciate your concern that negotiations on this year's NHS pay round should not be prejudiced. We are not, of course, unmindful of that aspect ourselves and had already considered it before making our proposals. Nothing you have said causes us to alter our view that Chairmen should receive the full award due to them.

There can surely be no dispute about the fact that Chairmen are underpaid. It has, for example, been commented on adversely in private by the Griffiths team and by Lord Rayner. In these circumstances, we think that it would be completely unfair to those presently carrying out these onerous responsibilities, often in the full public glare, to holdback further their pay levels. It would also make our task even harder in attracting people of the right calibre in future.

The cost of implementing the award is insignificant - some £50,000 in England. But for Chairmen individually it will make a considerable difference. Your proposal would rob them of some £400 a year from 1 April. As to the possible effect on negotiations, the increases are in line with those payable to people in similar offices across the public sector. Moreover, the increases can be clearly related to the 1983 round and not to the forthcoming 1984 round.

Having weighed all the factors therefore and as George Younger, Nicholas Edwards and Jim Prior (to whom I am copying this) also support the increase, we propose to implement it as soon as possible but without making any announcement.

A copy of this letter also goes to the Prime Minister.

KENNETH CLARKE

1 2  
Nat Health May 87  
area health authority  
chairmen.

170 / 1984





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NBPM AT 613



Y SWYDDFA GYMREIG  
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Oddi wrth Ysgrifennydd Gwladol Cymru

WELSH OFFICE  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-233 3000 (Switchboard)  
01-233 6106 (Direct Line)  
From The Secretary of State for Wales

Rt Hon Nicholas Edwards MP

6 March 1984

*De Nam*

PAY OF HEALTH AUTHORITY CHAIRMEN

I have seen your letter of 4 January to George Younger, and his reply together with those of Jim Prior and Barney Hayhoe.

I agree with George and with Jim that on this occasion we really must increase Chairmen's honorarium in line with the TSRB recommendations. An increase of only 5.6% from 1 April 1983 would place Chairmen at a disadvantage in the next financial year and would exacerbate the problems of persuading the right people to take on these very important jobs. In this context I also agree with your suggestion that the future level of remuneration should be reviewed in the light of the Management Inquiry's report.

I am copying this to the Prime Minister and the other recipients of your letter.

*John*  
*Nev*

The Rt Hon Norman Fowler  
Secretary of State for Social Services  
Department of Health and Social Security  
Alexander Fleming House  
Elephant and Castle  
LONDON  
SE1 6BY

Nat Health: Reappointment & remuneration of  
Health Authority Chairman May 81.





CONFIDENTIAL



NAPM

AT

14/2

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Norman Fowler MP  
Secretary of State  
Department of Health & Social Security  
Alexander Fleming House  
Elephant and Castle  
LONDON SE1 6BY

13 February 1984

*Dear Secretary of State*

PAY OF HEALTH AUTHORITY CHAIRMEN

Your letter of 4 January to George Younger was copied to Peter Rees, as was George Younger's reply.

What you propose is wholly consistent with the general Treasury agreement that the awards made to senior civil servants after TSRB Report 19 should be carried over to the various groups of TSRB followers, and it would be unreasonable for me to say now that our agreement should not apply to health authority chairmen. But I am a little concerned about the possible effects on NHS non-medical pay negotiations this year of increasing chairmen's pay by 17 per cent over the two years from 1 April 1982. Although you plan to make no announcement, these increases are bound to become known, and be contrasted with the lower increases received by other NHS groups over the same period, especially the ancillaries' 10.8 per cent and the nurses' 12.3 per cent. We cannot know what recommendations the new Review Body may make for nurses' pay this year, but it will clearly have repercussions on the negotiations with NHS non-medical groups. Awarding the health authority chairmen nearly 11 per cent over a period of 5 months risks creating a further complication.

In these circumstances I wonder whether a lower percentage increase backdated to 1 April 1983 would be appropriate. This would be out of step with senior civil servants, but this link was broken in 1982. An increase of 5.6 per cent from 1 April 1983, for example, would leave the chairmen no worse off during 1983-84 than your proposal, but reduce the two year increase from 17 per cent to just under 12 per cent. That would be below the increase for NHS medical groups, but 1 per cent above the ancillaries.

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This approach would, of course, result in a lower rate of pay for the chairmen at 31 March this year than you suggest. But you plan in any case to review their pay once consideration of the report of the management inquiry is complete, and any necessary adjustments could be made at that stage.

I have copied this letter to the Prime Minister, and to the Secretaries of State for Scotland, Wales and Northern Ireland.

Yours sincerely

Michael Brown

for

BARNEY HAYHOE

(Approved by the Minister of State  
and signed in his absence)

CONFIDENTIAL



NAT. HEALTH  
Area Health Authority  
Ann. May 81



1981

CC NO

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NORTHERN IRELAND OFFICE  
WHITEHALL  
LONDON SW1A 2AZ

SECRETARY OF STATE  
FOR  
NORTHERN IRELAND

NBAM

BT

13/2

The Rt Hon Norman Fowler MP  
Secretary of State for Social  
Services  
Department of Health and Social Security  
Alexander Fleming House  
Elephant and Castle  
LONDON  
SE1 6BY

13 February 1984

*Dea Hanan*

PAY OF HEALTH AUTHORITY CHAIRMAN

I have seen your letter of 4 January about the proposed increase in the honorarium paid to health authority Chairmen, and George Younger's reply of 18 January. I note that your proposal was subject to the agreement of colleagues.

I agree that, in line with TSRB recommendations, the level of honorarium should be increased by 7% from 1 August 1983 with a further increase of 3.7% from 1 January 1984.

On the question of what the future level of remuneration of Chairmen might be, I agree entirely with your suggestion that such a review should be carried out in the light of the Management Inquiry's Report. However, this need not, as you say, delay the implementation of the 1983 award and I would propose to apply the increases to the Chairman of equivalent bodies in Northern Ireland.

In his letter of 18 January, George Younger referred to his desire to correct the anomaly whereby generally speaking Scottish Chairmen are paid less than their English counterparts. As you will know, the honoraria paid to the Chairmen of Health and Social Services Boards are linked to those paid to Scottish Chairmen. Should the Scottish basis of calculating honoraria change, then I should want to consider the need for a similar adjustment in Northern Ireland.

I am copying this letter to the Prime Minister and the other recipients of yours.

*George Younger*



National Health: Charman

May 87

13 FEB 1984

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LECNO



NBPM

AT 20/1

SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Norman Fowler MP  
Secretary of State for Social Services  
Alexander Fleming House  
Elephant and Castle  
LONDON  
SE1 6BY

18 January 1984

Dear Norman,

PAY OF HEALTH AUTHORITY CHAIRMEN

Thank you for your letter of 4 January 1984 suggesting that, in line with the recommendations of TSRB Report No 19, the pay of health authority Chairmen should be increased by 7% from 1 August 1983, with a further increase of 3.7% from 1 January 1984.

I agree that we should increase the remuneration of Chairmen in line with the TSRB recommendations.

With regard to your point about the future level of remuneration for Chairmen, I would agree also that this should be reviewed in the light of the Management Inquiry's report. John Mackay was in correspondence with Barney Hayhoe about this matter in the early part of last year, and we agreed then that it was sensible to await the outcome of that Inquiry. One of our particular concerns here has been that generally speaking Scottish Chairmen are paid less than their English counterparts, and I would hope to rectify this anomaly in due course. Inevitably, however, despite some concern on this point, initial attention here to the implications of the Griffiths Report for Scotland has been directed primarily to the general management arrangements rather than the role of Chairmen.

I agree therefore that we should not hold up implementation of the 1983 award, and subject to the agreement of colleagues, I would propose to implement it with as little delay as possible.

I have copied this to the Prime Minister and the other recipients of your letter.

Yours ever,  
Cunneen



18 JAN 1984





COPY RECD  
15-2-84

**DEPARTMENT OF HEALTH AND SOCIAL SECURITY**  
Alexander Fleming House, Elephant & Castle, London SE1 6BY  
Telephone 01-407 5522

*From the Secretary of State for Social Services*

The Rt Hon George Younger MP  
Secretary of State for Scotland  
Scottish Office  
Dover House  
Whitehall  
London SW1

4 January 1984

Dear George

**PAY OF HEALTH AUTHORITY CHAIRMEN**

As you know, in recent years the level of honorarium payable to health authority chairmen has been treated as a consequential of Top Salaries Review Body recommendations and, until last year, the practice was to implement in full the increases approved by Treasury for part-time Board chairmen. Following TSRB Report No 18, however, we decided to implement only a 6 per cent increase with effect from 1 April 1982, in line with the increase we were offering to NHS workers.

We now have TSRB report No 19, the new rates arising from which have been approved by Treasury, allowing an increase of 7 per cent from 1 August 1983 and a further 3.7 per cent from 1 January 1984. Overall these amount to an increase of about 11 per cent in a full year and grossed over the 2 years from 1 April 1982 they represent an increase in the order of approximately 17 per cent although the actual increase in 1983/84 amounts to about 5.6 per cent. While the grossed up increase is higher than that payable to nurses and other workers, as we held back chairmen's pay last year in circumstances which do not apply in the current year, it seems to me that, subject to colleagues agreement, these increases should be implemented in full. It also occurs to me that to allow the remuneration of health authority chairmen to slip further out of line with the pay of part-time board chairmen across the public sector might create or increase difficulties in getting the right kind of people for these important posts. In line with previous practice, I would not propose to make an announcement.

When I wrote to you on 26 November 1982 about the 1982 award, I also mentioned that I would want to consider later the future level of remuneration for chairmen. I suggest that this might best be done, in the light of the Management Inquiry's report. But in the meantime I do not think we should hold up the overdue 1983 award until we have completed our consideration of the Inquiry's advice.

I am copying this letter to the Prime Minister, Nicholas Edwards, Jim Prior and Peter Rees.

Yours  
Norman Fowler

NORMAN FOWLER





DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

*From the Secretary of State for Social Services*

The Rt Hon George Younger TD MP  
 Secretary of State for Scotland  
 Scottish Office  
 Dover House  
 Whitehall  
 LONDON SW1

JAN '83.

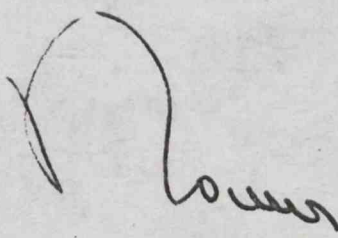
*Dear George:*

Thank you for your letter of 20 January. I am glad that you agree with our proposals on pay for Regional and District Health Authority Chairmen in England.

I note that you intend discussing the question of increasing the notional time commitment of your Scottish Chairmen with the Treasury. As you say, this is a Treasury matter, but I for my part have no objection to what you propose.

I am copying this letter as before.

*You are*



NORMAN FOWLER

DEPARTMENT OF THE ARMY

Headquarters, Department of the Army, Washington, D.C. 20315

Form 101 (Rev. 1-77)

1. Name of the organization or activity

31 JAN 1983

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*[Faint handwritten text, possibly a signature or address]*



Not Health

Brr

CONFIDENTIAL



file we: J. Herkes

10 DOWNING STREET

*From the Private Secretary*

29 November 1982

REMUNERATION OF  
HEALTH AUTHORITY CHAIRMEN

The Prime Minister saw a copy of your Secretary of State's letter of 26 November to the Secretary of State for Scotland, about the remuneration of Health Authority Chairmen.

Mrs. Thatcher has commented "Excellent".

I am sending a copy of this letter to Adam Peat (Welsh Office), John Lyon (Northern Ireland Office), John Gieve (Chief Secretary's Office, HM Treasury) and Harry Bush (Minister of State's Office, HM Treasury).

M. C. SCHOLAR

David Clark, Esq.,  
Department of Health and Social Security

CONFIDENTIAL



*With the Compliments of  
the Secretary of State for Social Services*

DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
Alexander Fleming House  
Elephant and Castle  
London, SE1 6BY

*copied to No 10 to note.*



cjt



Prime Minister (2)

MUS 26/11

DEPARTMENT OF HEALTH & SOCIAL SECURITY  
Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

The Rt Hon George Younger MP  
Secretary of State for Scotland  
Scottish Office  
Dover House  
Whitehall  
London S W 1

26 November 1982

REMUNERATION OF HEALTH AUTHORITY CHAIRMEN

In recent years the level of honorarium paid to health authority chairmen has been treated as a consequential of Top Salaries Review Body recommendations and the practice has been to implement in full the increase approved by Treasury for part-time chairmen of public bodies. Earlier this year Treasury approved an increase of 14 per cent for these posts following TSRB Report No 18.

We are not bound by statute to increase the honorarium annually and neither we, nor our predecessors here in England, have given any commitment to chairmen that their honorarium would be increased in line with TSRB recommendations. We have, therefore, considered whether this year's TSRB increases should be implemented in full, or whether we should restrict the increase to that being offered to NHS workers. I believe that an increase of 14 per cent would be insensitive in the present situation and difficult to justify in its own right. It would undoubtedly attract a good deal of adverse comment. Subject to colleagues' agreement, I therefore propose to limit this year's increase to 6 per cent, which would lift the present rate of £7,161 per annum to £7,590 to chairmen in England.

What should be the future level of remuneration for chairmen is something I want to consider later.

I am copying this to Nicholas Edwards, Jim Prior, Leon Brittan and Barney Hayhoe.

NORMAN FOWLER



**PRESS  
RELEASE**

Alexander Fleming House  
Elephant and Castle  
London SE1 6BY

Telephone 01-407 5522

81/166

18 June 1981

REAPPOINTMENT OF AREA HEALTH AUTHORITY CHAIRMEN

Patrick Jenkin, Secretary of State for Social Services, today (Thursday) announced the reappointment of the 90 Chairmen of Area Health Authorities in England\*. The Chairmen were appointed from 1 August 1979 to 31 July 1981 and their reappointments are effective from 1 August this year until the Area Health Authorities are replaced by the new District Health Authorities next year. The Secretary of State has said that he is grateful that all Chairmen have agreed to remain in post during this transitional period whilst the Area Authorities prepare to hand over to their successor authorities.

It is expected that, in most if not all cases, District Health Authorities will be established on 1 April 1982. The names of District Health Authority Chairmen will be announced at a later date.

District Health Authority Chairmen will receive the same level of honorarium (currently £6,693 pa) as AHA Chairmen but whilst in shadow form (ie until 31 March 1982) the District Chairmen-designate will be remunerated at only two-thirds of the full annual rate (ie equivalent to £4,460 pa). Any existing Area Chairman who is subsequently appointed as a District Chairman will not receive any additional honorarium for his "shadow" duties.

The extra expenditure arising from a higher number of new authorities at district level will come from health authorities' management costs. These are to be reduced by 10% as a proportion of NHS resources by the end of 1984/85 as a result of the Government's policies for streamlining the structure of the NHS, including the elimination of the Area tier; these savings will be devoted directly to services for patients.

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\*Note to Editors:

These reappointments are subject to the enactment of new regulations which will alter the date to which health authority chairmen are appointed. At present, these always run from 1 August to the end of July in a subsequent year.



Department of Health  
and Family Services

24 JUN 1981





War Health

DEPARTMENT OF HEALTH & SOCIAL SECURITY  
Alexander Fleming House, Elephant & Castle, London SE1 6BY  
Telephone 01-407 5522  
From the Secretary of State for Social Services

MANAGEMENT IN CONFIDENCE

The Rt Hon Michael Jopling MP  
Chief Whip  
12 Downing Street  
LONDON SW1

1 Mr Lambester PL  
2 Prime Minister 2

Mr Jenkin will shortly be announcing the re-appointment of the 90 Area Health Authority Chairmen. Their reappointment will be effective until they are replaced by the District Health Authority Chairmen. Mr Jenkin's statement includes a low key statement that DHA chairmen will now be paid as much as their AHA predecessors, given their new responsibilities.

mt

Dear Michael,

Thank you for your letter of 12 May about the remuneration of District Health Authority Chairmen. I am most grateful to you for your agreement on this. I now propose to carry this forward by way of a press statement (draft attached) which we plan to release shortly to cover the re-appointment of existing Area Chairmen to 31 March 1982. By adding a deliberately low-key statement about their successors' pay to this release, we can go public on the pay question before decisions are announced on individual District Chairmen.

WPSIL  
1/6

I had intended to copy my original letter of 27 April to you, to the Prime Minister, Barney Hayhoe, Nicholas Edwards, George Younger and Humphrey Atkins. This was overlooked at the time and, in view of their possible interest in the matter, I am copying this letter and the earlier correspondence which has passed between us to them.

Your ever  
Patrice

ENC



## DRAFT PRESS RELEASE

## REAPPOINTMENT OF AREA HEALTH AUTHORITY CHAIRMEN

Mr Patrick Jenkin, Secretary of State for Social Services, has today [ ] announced the reappointment of [the 90] Chairmen of Area Health Authorities in England.\* The chairmen were appointed from 1 August 1979 to 31 July 1981 and their reappointments are effective from 1 August 1981 until the Area Health Authorities are replaced by the new District Health Authorities. The Secretary of State has said that he is grateful that [all] [so many] Chairmen have agreed to remain in post during this transitional period whilst the Area Authorities prepare to hand over to their successor authorities.

It is expected that, in most if not all cases, District Health Authorities will be established on 1 April 1982. The names of District Health Authority Chairmen will be announced at a later date.

[For personal reasons, the following Area Chairmen will retire on 31 July 1981 and are to be replaced by .....]

District Health Authority Chairmen will receive the same level of honorarium (currently £6,693 pa) as AHA Chairmen but whilst in shadow form (ie until 31 March 1982) the District Chairmen-designate will be remunerated at only two-thirds of the full annual rate (ie equivalent to £4460 pa). Any existing Area Chairman who is subsequently appointed as a District Chairman will not receive any additional honorarium for his "shadow" duties. The extra expenditure arising from a higher number of new authorities at district level will come from health authorities' management costs which, as a proportion of NHS resources, are to be reduced by 10 per cent by the end of 1984/85 as a result of the Government's policies for streamlining the structure of the NHS, including the elimination of the Area tier; those savings will be devoted directly to services for patients.

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\* Note to Editors

These reappointments are subject to the enactment of new regulations which will alter the date to which health authority chairmen are appointed. At present, these always run from 1 August to the end of July in a subsequent year.

MANAGEMENT IN CONFIDENCE

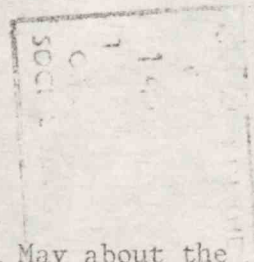


Government Chief Whip  
12 Downing Street, London SW1

*Day  
Book  
MAY  
1981*

12 May 1981.

*Patrick Jenkin*



Thank you for your letter of 11 May about the remuneration of District Health Authority Chairmen.

Since you asked my views I thought I should let you know what the reaction was likely to be, but if you want to press on with your proposals, I will not bang on about it.

STATES OFFICE	
<i>Mr Snow</i>	<i>[Signature]</i>
<i>Mr Knight</i>	<i>Miss Doran</i>
<i>Mr Phillips</i>	<i>Mr Oliver</i>
<i>Mr Bennet</i>	<i>Mr Rayner</i>

The Rt Hon Patrick Jenkin, MP,  
Secretary of State for the Social Services.

MANAGEMENT IN CONFIDENCE





DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
ALEXANDER FLEMING HOUSE  
ELEPHANT AND CASTLE LONDON SE16BY  
TELEPHONE 01-407 5522 EXT

The Rt Hon Michael Jopling MP  
Government Chief Whip  
12 Downing Street  
London SW1

11 May 1981

Dear Sir,

Thank you for your letter of 27 April about the remuneration of District Health Authority Chairmen.

We gave much thought to the realism of our proposals before deciding that DHA Chairmen should be paid the same as their Area predecessors (and 38 of them will be the same people, albeit wearing a district label). I can only repeat what I said in my original letter, namely, that the District Health Authority Chairmen's responsibilities may increase rather than decrease in the new Service. The loss of morale and sense of direction evident in places in the last NHS reorganisation has to be replaced by renewed confidence and determination. I shall be looking to the District Chairmen, above all, to make the new structure work, and endure. Our purpose in creating smaller, more locally-based health authorities is to provide more opportunity for those running and managing services locally to be fully involved in decision-making. Effective management and local leadership will be crucial. Operating free of unnecessary interference from the centre, the DHAs will have to stand on their own feet and take responsibility for decisions which might previously have been passed up to higher authority. When the new authorities begin to operate, in the face of tighter, cash-limited budgets and within lower management cost targets, I am under no illusion as to where the strains and pressures are going to be felt. In these circumstances, I continue to believe that it would be quite wrong to offer the new Chairmen less than their Area predecessors by way of remuneration, when we shall be demanding much more from them.

I would also stress that the extra costs involved in paying 190 Chairmen instead of the existing 90 were taken into account in arriving at our judgement of the possible savings in management costs following reorganisation (savings which, incidentally we can insist upon through our system of controls on these costs). We accepted that the increased number of authorities would create some additional costs - such as, for example, those incurred through an increase in the number of chief officers to be employed by the greater number of authorities - to be offset against the savings to be achieved. But we are determined that there will, overall, be a 10 per cent reduction in the proportion of NHS resources devoted to management costs.

I am not sure whether your objection is to the principle of payment or to the amount of the honorarium. But if, for example, we were to divide up the sum we pay to the 90 Area Chairmen among the 190 District Chairmen, the level of the honorarium would drop from £6,693 a year to about £3,200. It would be very hard indeed to defend this, especially in the case of some of the existing smaller areas which will continue unchanged as districts. Here Chairmen would be expected to take a pay cut of over 50 per cent whilst retaining exactly the same territorial responsibilities as before. In such circumstances, the possibility of a number of resignations



cannot be ruled out. In addition, the already difficult task of finding able Chairmen for the new DHAs will become almost impossible (in these days there are very few people who can devote about three days a week to the chairmanship of a health authority for less than the present level of honorarium (£5,693 per annum - taxable)). There are those - and I am among them! - who would regard any reduction in the honorarium as cheese-paring, in view of the important and substantial benefits which we seek from the forthcoming reorganisation.

The costs involved, and the actual amount of the honorarium itself, are - I accept - something which people may not fully appreciate. We shall have to think carefully about the press release (which I mentioned in my original letter). Indeed, once we have come to an understanding on the payment itself I would welcome your help in the presentation of this.

As you can see from the above, I feel strongly about this and I hope, therefore, that we can agree to proceed as I suggested in my letter of 27 April, but with a further reference back to you on presentational aspects.

Your ever  
faithful

I am sorry if people are banging on about NHS members: I'm sure you know the score - Cabinet has agreed to give more spending priority: more money must have been raised, nurses, medicals, health visitors, physios, dentists, etc. etc. etc. Chief - they just don't understand - more than that by

MANAGEMENT - IN CONFIDENCE



MANAGEMENT IN CONFIDENCE



Government Chief Whip

12 Downing Street, London SW1

30 April 1981.

A handwritten signature in cursive script, appearing to read 'Mrs. Patrick'.

Thank you for your letter of 27 April, about remuneration of Chairmen of the new health authorities.

I am unhappy about your proposals. On top of the massive increase in N.H.S. staff, I think it would be unfortunate to increase costs in this way when the district health authorities are set up.

A handwritten signature in cursive script, appearing to read 'Patrick Jenkin'.

The Rt Hon Patrick Jenkin, MP,  
Secretary of State for the Social Services.

MANAGEMENT IN CONFIDENCE



DEPARTMENT OF HEALTH & SOCIAL SECURITY  
 Alexander Fleming House, Elephant & Castle, London SE1 6BY  
 Telephone 01-407 5522  
 From the Secretary of State for Social Services

COPY ON  
 CARBON

Mr J Rogers  
 Mr King  
 Miss Doran  
 Mr Phillips  
 Mr Chief  
 Mr Benner  
 Mr Rayner  
 Mr Shaw

MANAGEMENT - IN CONFIDENCE

The Rt Hon Michael Jopling MP  
 Chief Whip  
 12 Downing Street  
 LONDON SW1

27 April 1981

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I am grateful for the considerable help which your office has provided in suggesting a number of people as potential chairmen for the new district health authorities. This source of names is invaluable.

I should also mention one other aspect of chairmanship - remuneration. Regional and Area Health Authority Chairmen are entitled to draw an annual honorarium. Currently this is £6,693 per annum subject to taxation. Although a flat rate, it is based on an average three days' work a week derived from a notional full time salary of £11,155pa. The purpose of the honorarium is to give some compensation to incumbents for their taxing duties and, more importantly, to widen the field of Ministerial choice beyond those who otherwise would have to rely on private means to carry out the chairmanship function.

In restructuring the NHS the Government is, in effect, setting up a network of what are tantamount to single-district Area Health Authorities. The District Authorities will, however, enjoy a greater degree of autonomy than Areas do at present and this will have implications for the role of District Chairmen. For example, they will be expected to decide and implement their own management and staffing arrangements with the minimum of guidance from my Department. Within smaller budgets (compared with the larger areas) they will have less room to manoeuvre in the face of competing pressures. All of which, together with their greater involvement in local issues, will result in more demands on their time.

When the dust of reorganisation has settled, I may need to examine - with Ministerial colleagues in the other UK Health Departments and the Civil Service Department - whether we should move towards a system of paying differential rates to chairmen of authorities of different sizes, complexities and responsibilities, as is currently the case in the Scottish Health Boards. At this stage, however, such an exercise would not be possible.



In all the circumstances, I have come to the conclusion that there is a case on merit for extending the current Area Chairmen's remuneration to their successors at district level, though this decision may not be greeted with universal acclaim. So far only one of our backbenchers, Warren Hawksley, has written to express his misgivings (having correctly, if prematurely, anticipated my decision) and others may share his views. I see a need, therefore, to explain our decision by a press statement. In addition to setting out the reasons for this payment, it would be made clear that, although the additional costs (£670,000 annually) stem from the doubling of the number of health authorities (from 90 to between 180-200), the extra expenditure will come out of the pool of administrative costs which are to be reduced by 10% over the next few years as a result of our restructuring policy.

In the run-up to the NHS restructuring, which will take effect on 1 April 1982, the new district health authorities will operate in 'shadow' form. They will need to appoint new chief officers and prepare management and operational service arrangements. I intend to announce the names of the future District Chairmen in June or July 1981 and, for those who are not currently serving as Area Health Authority Chairmen, to offer them a somewhat lower honorarium for their responsibilities whilst in shadow form. I intend to set this at two-thirds the full rate (ie £4460) for the period up to April 1982, although the Area Chairmen will continue to receive their current honorarium (£6693) until then. Anyone who is both an existing Area Chairman and a 'shadow' District Chairman will receive only the Area Chairman's pay. This is another consequence of our restructuring, albeit a non-recurring expense. The Treasury and the Civil Service Department are content with this arrangement.

*Yours sincerely*  
*[Signature]*

5-1 JUN 1981





# Grey Scale #13



**A** 1 2 3 4 5 6 **M** 8 9 10 11 12 13 14 15 **B** 17 18 19



Inches 1 2 3

Centimetres 1 2 3 4 5 6 7 8

## Colour Chart #13

Blue Cyan Green Yellow

