

Prime Minister (C)



DEPARTMENT OF HEALTH & SOCIAL SECURITY

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From the Permanent Secretary

Sir Kenneth Stowe KCB CVO

This letter is giving you early warning that you will have to pay a six-figure salary for the candidates coming forward as Chairman of the NHS Management Board. Are you prepared to do that? (I have had a message that the Chancellor does not regard the people currently under consideration as likely to be worth the money!) FEB

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I have the same 28.6.

Robin Butler Esq.,
No. 10 Downing Street,
London SW1

impression
not

28 June, 1984

Dear Robin.

CHAIRMAN OF THE NHS MANAGEMENT BOARD

The process of identifying a short-list of acceptable candidates is now approaching its climax. I expect to have two or three names for submission to the Prime Minister within about ten days from now.

A key issue will be the salary required by the acceptable candidates. None of those likely to be leading our short-list would be willing to expect less than his present level of remuneration, which in each case is over six figures per annum plus generous pension provision and cars. I have discussed this with my Secretary of State and Peter Middleton has consulted the Chancellor. I think there is agreement that we can only take each candidate on his merits including among his merits the price he puts upon his worth. It would be quite wrong, however, to proceed further with our interviews with them with a view to putting names up to the Prime Minister if at the end of the day they were to be approached with a view to seeing whether they would be prepared to come at e.g. two-thirds of their existing salary. Each has made his position perfectly clear and would, I am sure, regard such an approach as tantamount to a deception.

I have talked this over with Peter Middleton and we believe we have no option but to proceed as indicated in my second paragraph above but Peter suggests, in the light of his experience over the Wilson appointment, that I should alert you to the way things are going so that you may offer such advice as you think fit.

I am copying this letter to Peter Middleton and Robert Armstrong.

Yours
Ken.