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no

10 DOWNING STREET

Pome Limited

This is the letter  
to be sent to the  
Civil Service  
Commissioners hopefully  
early on Monday about  
the appointment of  
Ray Griffiths (if he  
agrees to serve).

Norman Fowler is  
seeing Griffiths on  
Sunday morning. N.L.W.  
30.5

SENIOR STAFF IN CONFIDENCE



**DEPARTMENT OF HEALTH AND SOCIAL SECURITY**

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

Telephone 01-407 5522 ext 6981

*From the Permanent Secretary*

Sir Kenneth Stowe GCB CVO

Nigel Wicks Esq.,  
No. 10 Downing Street,  
London SW1

30 May, 1986

*Dear Nigel.*

CHAIRMAN OF NHS MANAGEMENT BOARD

... | We spoke this afternoon. Should we decide to use Roy Griffiths for this post then the procedure which will be followed for his appointment will be as in the attached letter. This has been agreed with Nick Guerney at the Civil Service Commission.

*[Handwritten signature]*

*Yours sincerely,*

*Ken.*

E.R.

SENIOR STAFF IN CONFIDENCE

DRAFT LETTER TO

Denis Trevelyan, Esq., CB  
First Civil Service Commissioner,  
Civil Service Commission,  
Alencon Link,  
Basingstoke,  
Hants RG21 1JB

CHAIRMAN NHS MANAGEMENT BOARD

Board

The present Chairman of the NHS Management/ Board, Mr. Victor Paige, CBE, has resigned. His resignation takes effect immediately.

The circumstances of his resignation can be deduced from the attached copy of his letter of resignation to my Secretary of State.

You will know of the grave difficulty we had in 1985 in finding a suitable person to fill the post of Chairman of this Board. You will also recollect how vitally important it is that the Government's drive to secure better management of the vast resources of the NHS should be effectively led by the Board under a vigorous and capable Chairman.

The unexpected departure of Mr. Paige, and the circumstances of his going, are a severe setback to the NHS management development programme coming so soon in the life of the Board. I have most strongly advised my Secretary of State, and he has similarly advised the Prime Minister, that it is essential, in order to keep up the momentum of management development in the NHS, that a successor be appointed as

speedily as possible. The Prime Minister has accepted this advice.

Accordingly it is proposed to ask Sir Roy Griffiths to take on this task for a limited period [of 2-3 years] when he retires from his current post as Deputy Chairman and Managing Director of Sainsbury's plc in July. We envisage that he will be free to take up the appointment from 1 September. Meanwhile it is proposed to ask one of our key Deputy Secretaries on the Board, Mr. Len Peach, Director of Personnel, to act as Chairman pending Sir Roy's arrival.

The case for proceeding to make a direct appointment in this way rather than to proceed again by way of open competition is:

- a) the urgency of the requirement;
- b) the availability of an outstandingly qualified candidate; and
- c) the experience of the open competition we launched, with the help of highly expensive head hunters just over 18 months ago to find the first chairman of the Board - this competition failed utterly and it must be doubtful <sup>whether</sup> ~~circumstances~~

(particularly having regard to the highly specialised nature of the post) have changed significantly since then. It is also relevant that before we appointed Mr. Paige to the Chairmanship we had then offered it to Sir Roy Griffiths and he would have accepted it had he been able to free himself from his contract with Sainsbury's.

Accordingly I would ask the Commissioners using their powers under paragraph 1(2)g of the Order in Council to dispense with the need for open competition to find a successor to Victor Paige, and to agree to the short-term appointment of Sir Roy Griffiths as a qualified candidate. I need hardly elaborate on the merits of Sir Roy Griffith's qualifications: he was a principal architect of the report of the NHS Management Inquiry which we are now implementing, as well, of course, as being a distinguished private sector manager. I attach his CV. We are satisfied that he is uniquely well qualified to do this job and would do it well without falling into the misunderstanding of the relative roles of Ministers and civil servants which have given rise to the present problem.

I am copying this letter to Robert Armstrong and Nigel Wicks.

SIR ERNEST ROY GRIFFITHS

Date of Birth: 8 July 1926  
Married: One son, two daughters  
Education: Wolstanton Grammar School, N. Staffs.  
Keble College, Oxford (Open Scholar MA, BCL)  
Columbia Business School, New York,  
Solicitor

Career

1959 Fellow of the Institute of Chartered Secretaries and Administrators  
1975 Fellow of the Insitute of Grocery Distribution  
1985- President of the Institute of Grocery Distribution  
1956-68 Monsanto Cos, Legal Adviser  
1964-68 Director Monsanto Europe  
1968- J. Sainsbury plc  
1969 Director of Personnel J. Sainsbury plc  
1983 Chairman, Management Inquiry into the NHS  
1983- Member of the Health Services Supervisory Board  
1980 Companion , British Institute of Management



IMMEDIATE

BERNARD INGHAM

From: Sir K. Stowe DHSS

**NHS MANAGEMENT BOARD**

Department of Health & Social Security

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

Telephone 01-407 5522 ext 7947

From the Chairman

Victor Paige CBE

28<sup>th</sup> Mar.

Dear Norman.

I have been proud to be the first Chairman of the N.H.S. Management Board, and to have played a major part in the introduction of general management into the N.H.S. You acted with vision and determination in ensuring its speedy implementation, and you were absolutely right.

The management of the N.H.S. is complex. Ministers and the Chairman of the Management Board can approach the same issue with different perspectives, priorities, objectives and restraints. The conclusions are not always compatible. Also there are always others in the action - or trying to be! Within my remit that makes for difficulties in working to the management standards and style to which I am committed. I have brought this to your notice on several occasions. You are aware that it is not working out as I believe it should. After much careful thought and with great sadness I have therefore decided to resign as the Chairman of the Management Board.

If there are any people within the N.H.S. who, foolishly, do not support the introduction of general management and who see comfort in my resignation, then they are mistaken. The issues it relates to are about the nature and urgency of decision, not management concept. My commitment to the introduction of general management remains undiminished. It is vital for the N.H.S. You are fortunate in that you now have many very able managers eager to play their full role in

delivering high quality service, and none more so than the members of the Management Board. I have no doubts that the Board must continue to play a major role in the future of the N.H.S. I know that you will continue to give it your full support. Above all I hope it will be able to address effectively and with authority the key issues of improving employee commitment and motivation, more devolution to the Authorities within clearly defined standards of accountability and monitoring, the implementation of more effective financial management and planning, and creating a high awareness of the importance of the 'consumer and quality care'. They are at the heart of the effective management of N.H.S. resources, and of improving its service to the nation. The Management Board has already made significant progress in these matters. Much remains to be done.

It has been a great privilege to work with so many people in all the activities of the N.H.S. who serve with such dedicated caring concern. Oh but that it was more widely, constantly and publicly acknowledged.

Finally my thanks to you for your friendship over the years. It has been much appreciated.

Yours sincerely,  
Peter Page.