



M. V. Kerin
6 see etc

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

3 June, 1986

Dear Nigel,

I enclose a copy of the proposed press release on the resignation of Mr. Paige. The press notice will be released at 4.00pm today. Should there be any amendments we will, of course, let you know.

Yours,
Michael Kerin

M.V. KERIN
Private Secretary

86/174

3 June 1986

CHAIRMANSHIP OF NHS MANAGEMENT BOARD

The Secretary of State for Social Services, Norman Fowler, announced today that he had accepted the resignation of Victor Paige as Chairman of the NHS Management Board.

The Secretary of State has appointed Mr Len Peach, the Board's Director of Personnel, as acting Chairman of the Board.

Mr Peach joined the NHS Management Board as Director of Personnel in November 1985 on secondment from IBM. Mr Paige's letter of resignation and the Secretary of State's reply are set out below:

"Dear Norman

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

The Management of the NHS 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 NHS 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 NHS. 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 NHS. 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 NHS 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 NHS 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

Victor Paige"

"Dear Victor

Thank you for your letter. Like you, I am sorry that things have not worked out. However, we agreed, when we talked about this, that it would be right that you should stand down as Chairman of the NHS Management Board.

The management of the NHS is a difficult and complex task, certainly one of the biggest challenges to management facing this country. We have made substantial progress on this front recently and I should like to thank you for the contribution you have made. I am particularly grateful for your help in establishing the NHS Management Board which has got off to a good and effective start under your leadership. Much remains to be done but important foundations have been laid for developing and improving the management of the health service for the future.

You and I have worked closely together over a number of years in different areas associated with Government and I shall miss your contribution.

Thank you for all your help and may I send my best wishes for the Future.

Yours ever

Norman Fowler"

NOTE FOR EDITORS

The NHS Management Board was set up within the Department of Health and Social Security on the recommendation of the NHS Management Inquiry, chaired by Sir Roy Griffiths, which was asked by the Secretary of State for Social Services in 1983 to review management arrangements for the NHS. The Government accepted the Inquiry's recommendation that the Departmental functions concerned with the management of Health Authorities should be carried out, within the Department under the existing statutory framework, under a Board constituted from the Health Service, the private sector and the Civil Service. Mr Paige was appointed as the first Chairman of the Board from 1 January 1984. The other members of the Board are:

| | | |
|-----------------|---|--|
| Dr E D Acheson | - | Chief Medical Officer |
| Mr G A Hart | - | Director of Operations |
| Mr M J Fairey | - | Director of Planning and Information Technology |
| Mr L H Peach | - | Director of Personnel |
| Mrs G T Banks | - | Director of Health Authority Finance |
| Mr A Merifield | - | Director of Health Authority Liaison |
| Mr I Mills | - | Director of Financial Management |
| Mrs A A B Poole | - | Chief Nursing Officer |
| Mr D Nichol | - | Non-Executive Director |

In addition, Mr D N I Pearce is Property Adviser to the Board, and Mr T Critchley is the Board's Director of Procurement and Distribution.

Shorn of its verbage, doesn't Para 2 mean that Mr Paige feels he has been prevented by Ministers from managing the Service in the way he thinks necessary?

What specifically is he complaining about? How has he been blocked?

It is no good your saying you don't know; Mr Paige says he has brought his difficulties to the Minister's notice. How long has this unsatisfactory state of affairs been going on?

Is it then a clash of personalities as distinct from a substantive problem?

Who are the others interfering or trying to do?

Does this mean that the Minister has in practice been impeding management and improvements in the efficiency of the NHS?

Is it not crystal clear Mr Paige is saying that the Secretary of State is slowing down the pace of change? If so, why?

The nature of Mr Paige's letter suggests he is trying to go as quickly as possible. Is this so?

quell

Is Mr Paige ill?

What hope have you after this of getting a top manager to take over since Mr Paige's letter demonstrates his utter frustration with Ministerial interference?



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From the Secretary of State for Social Services

Victor Paige Esq CBE
 Queen's Wood
 Frithsden
 Berkhamstead
 HERTS

3rd June 1986

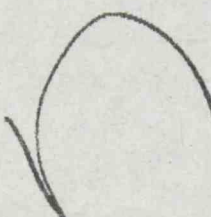
Dear Victor.

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You and I have worked closely together over a number of years in different areas associated with Government and I shall miss your contribution.

Thank you for all your help and may I send my best wishes for the future.

Jays

 NORMAN FOWLER