LETTER FROM WESTMINSTER

Early exit for NHS's "managing director"

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Though the government has waged war on the closed shop in the trade union movement, the practice remains entrenched and unvanquished in the one profession closest to home: the Whitehall Civil Service.

Victor Paige's unexpected and precipitate resignation as the chairman of the NHS Management Board said more about the resistance to change in London SW1 than it did about the failure or otherwise of the Griffiths initiative on NHS management.

Appointed 18 months ago after ministers had spent a year head hunting the right man for the job, Mr Paige found that the management style that he was used to in the business world outside was incompatible with the politics of running the NHS. But although much has been made of his apparent frustration with the Whitehall machine—and it is true that the Civil Service mandarins resent outsiders taking key posts at salaries beyond their wildest dreams—it is clear that ministerial interference was the root cause of Mr Paige's departure.

In his resignation letter to Norman Fowler, the Secretary of State for Social Services—a close friend, despite everything—Mr Paige said: "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 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."

Although he is a Whitehall outsider, Mr Paige's letter would have graced the notepaper of *Yes, Minister's* Sir Humphrey Appleby. What it hinted at and left unsaid was the basis of the next day's newspaper headlines. And it required a good deal of decoding, for neither Mr Paige nor Mr Fowler would comment on the specific nature of their disagreements beyond the content of their exchanges.

Perhaps this is not surprising. The future of the NHS has become a delicate political issue, and the resignation of its management head at such a time would inevitably draw widespread public comment. How better to stifle it than to publish two somewhat cryptic letters and go no further?

Mr Fowler's main concern, of course, was to ensure that Mr Paige's resignation could not be seen as an indictment of the concept of general management, and, indeed, the ex chairman obliged his political master with a litany of praise for the Griffiths plan.

"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," he said. "The issues it relates to are about the urgency and nature of decisions, not management concept. My commitment to the introduction of general management remains undiminished. It is vital for the NHS."

In the event, the way in which Mr Paige's resignation was handled was a fairly successful damage limitation exercise. Labour's attempts to exploit it and link it to their overall attack on the government's handling of the NHS failed to gain any momentum. The party's health spokesman, Frank Dobson, had a good try, interrupting parliamentary business on the day of the resignation to demand a government statement.

When Mr Fowler finally got to the dispatch box the next day he refused to add to his published reply to Mr Paige's resignation letter. And he insisted: "I have every confidence that under the leadership of the management board, health authorities and their general managers will continue to ensure that more and better care is provided for patients and that the best value for money is obtained."

So, where does all this leave the government's much vaunted plan to inject managerial efficiency into the NHS? Clearly, Mr Fowler is not going to retreat one step from the principle; but with the health service now at the centre of the political stage electoral imperatives are beginning to take precedence.

At the end of the day Mr Paige realised that he could not carry through all the changes he would have liked because his ministerial bosses would not let him.

The most recent example of political pragmatism winning the battle over business management came shortly before Mr Paige's resignation. The management board was all set to put in motion the recommendation of the Rayner scrutiny team for a "rationalisation" of health service accommodation.

From the point of view of efficiency it was thought by the government to be a good idea. But it would have meant selling off nurses' homes, a step that in the present political climate would have gone down like a lead balloon. So the proposal was vetoed.

But, with or without Mr Paige, general management in the NHS is here to stay. Mr Fowler grabbed the opportunity of a speech to the Tory women's conference in London last week to make this abundantly clear. "We have introduced good management through the new system of general managers so that the best use is made of resources for patients," he said. "Let there be no doubt that that process will continue and that general managers will continue to make a growing contribution to the development of the NHS."

Labour looks at RAWP

The Labour party has announced plans for a change to the RAWP formula for redistributing NHS resources should it win the next general election—an ambition that no longer looks as outlandish as it did two years ago. Perhaps it wants to pre-empt the government's recent initiative in launching a review of RAWP.

Michael Meacher, the party's chief spokesman on health and social security, told a recent conference that the method of distributing health resources is now producing "massive distortions." Mrs Thatcher has claimed that London's loss under the RAWP formula has been the rest of the country's gain, but Mr Meacher insists that the facts belie this assertion.

"Waiting lists," he declared, "are growing longer in Greater London while queues in the outer regions are not getting any shorter because new services are not being provided out there as quickly as London has been forced to reduce them."

Mr Meacher did not give precise details of the changes to the RAWP formula he envisages but promised that Labour would return to the original purpose of steering growth investment towards the deprived areas of Britain while maintaining the level of services in the better off regions.

His precise plans for revising this massive redistribution exercise will be awaited with interest. It is a veritable NHS minefield that could blow a political reputation to shreds in the time it takes to say "general election."