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PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

10 August 1984

Dear Norman

NBFM

RECRUITMENT ADVERTISING IN THE NHS

Thank you for your letter of 27 July reporting on the outcome of negotiations to secure savings on recruitment advertising. I have also seen Peter Rees' letter of 1 August and Grey Gowrie's of 6 August.

The progress made in the negotiations has been most encouraging and I agree that we should settle for reduction of costs in advertising through existing journals. However, I also agree with Peter Rees' suggestion that the jobs register option should be kept open pending a review at the end of 1985 of success in achieving the changes which have been agreed in principle with the publishers. I agree that, as Grey Gowrie suggests, it would be appropriate to publish the report.

I am sending copies of this letter to the Prime Minister, to members of H Committee, to Grey Gowrie, and to Sir Robert Armstrong.

The Rt Hon Norman Fowler MP

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From The Secretary of State for Wales

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The Rt Hon Nicholas Edwards MP

24 August 1984

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Sec Secretary of State

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Dr 28/8

RECRUITMENT ADVERTISING IN THE NHS

Will Request if Required

Thank you for copying to me your letter of 27 July to Willie Whitelaw about the results of the negotiations agreed in H Committee.

I share colleagues views that the outcome is very satisfactory and that John Patten and his team are to be congratulated. I was particularly pleased to see that the concerns registered by George Younger and by me in correspondence earlier this year appear to have been substantially met and I am content for the arrangements you propose to apply in Wales. I agree with colleagues that the Report should be published.

I am copying this to the Prime Minister, to members of H Committee, to Grey Gowrie and Sir Robert Armstrong.

Yours sincerely

N. Edwards

Approved by the Secretary of State
and signed in his absence

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



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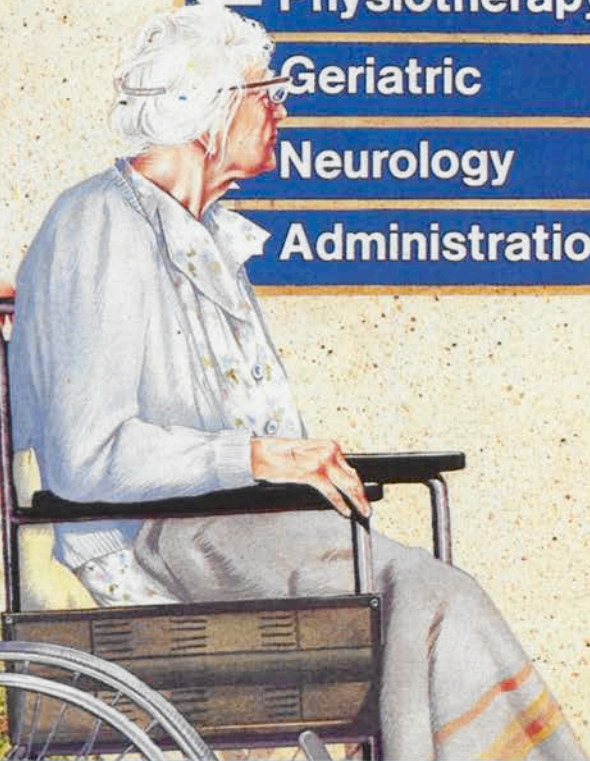
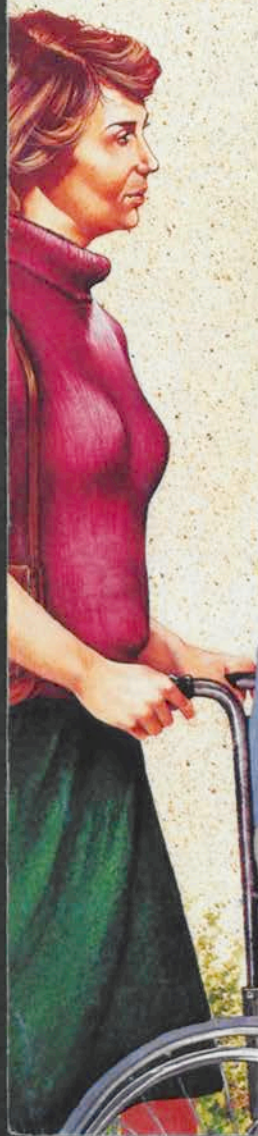
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The Next Steps

Management in the Health Service

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- ↖ Maternity
- ↖ Out Patients
- ↖ Community Services
- ↖ Childrens Unit
- ↖ G P Unit
- Pathology →
- X-Ray →
- Psychiatric →
- Pharmacy →
- Stores →
- ← Physiotherapy
- ← Geriatric
- ← Neurology
- Administration



Better Management in Health Authorities in England

The Inquiry

Many of us – in and outside the NHS – believe that we could make a better job of health care if we had better management. The NHS Management Inquiry team was asked by the Government to review NHS management and come up with proposals.

What the Inquiry team found

The Griffiths team found a lack of effective general management at all levels of the Health Authority structure. The result? Too often, frustrating delays and inaction. The need for better management is widely agreed throughout the Health Service and the House of Commons Social Services Committee found that the Griffiths Report's critique "commands general assent."

The key recommendation of the Griffiths Report is that management in Health Authorities should be strengthened so that the NHS can become yet more effective in providing services to patients. And it provided a welcome restatement of the principle which should guide everybody responsible for Health Services – concern for the individual patient.

Its fundamental message was of the need for a more dynamic management style in Health Authorities: getting things done, rather than deferring action. In short, bring in general management.

What is 'general management'?

'General management' enables an organisation to plan, act on, control and measure its decisions and actions effectively and efficiently; and in a way which brings results. The General Manager is the person responsible, and accountable, for ensuring that these decisions are made and actions taken.

The purpose of general management in Health Authorities

By establishing a general management function in Health Authorities, the concern shared by all working in the Health Service for the quality and efficiency of patient services will be more easily translated into effective action; the available resources will be better used and those working in the Service will obtain greater satisfaction from their work. The patient, the community, the taxpayer and the employee will all benefit.

Managing by consensus – that is, managing by agreement – works well some of the time in business and in Health Authorities. Where consensus is working well, no sensible General Manager will need to lose it.

General management will have most effect where consensus **is not** working well. It will help people to take decisions where and when they are needed – thus improving effectiveness.

Consensus management can fail when difficult, perhaps painful, decisions have to be made. Too often in Health Authorities, the power to veto has meant that nothing happens.

Some problems, of course, solve themselves or go away. But others remain and may get worse. This does not improve patient care and it is depressing for Health Authority staff. Effective management means that such problems are tackled not shelved.

The critics: are they right?

The Griffiths team concluded that the processes of decision-making and consultation in Health Authorities are elaborate and that the machinery for implementing decisions is weak. These are the direct results of a lack of clear management.

Many people, in and out of the Health Service, agree. As the BMA's Secretary has put it:

"The criticisms of the Griffiths Report of NHS management will be readily understood by clinicians who have become increasingly frustrated with the inordinate delays which accompany even relatively unimportant issues in the NHS before any action is taken."

And clinicians are not the only people to feel frustrated. Lots of people would like to see improvements.

By clarifying and strengthening the role of management throughout Health Authorities, we are developing the existing arrangements in a positive way.

The Next Step

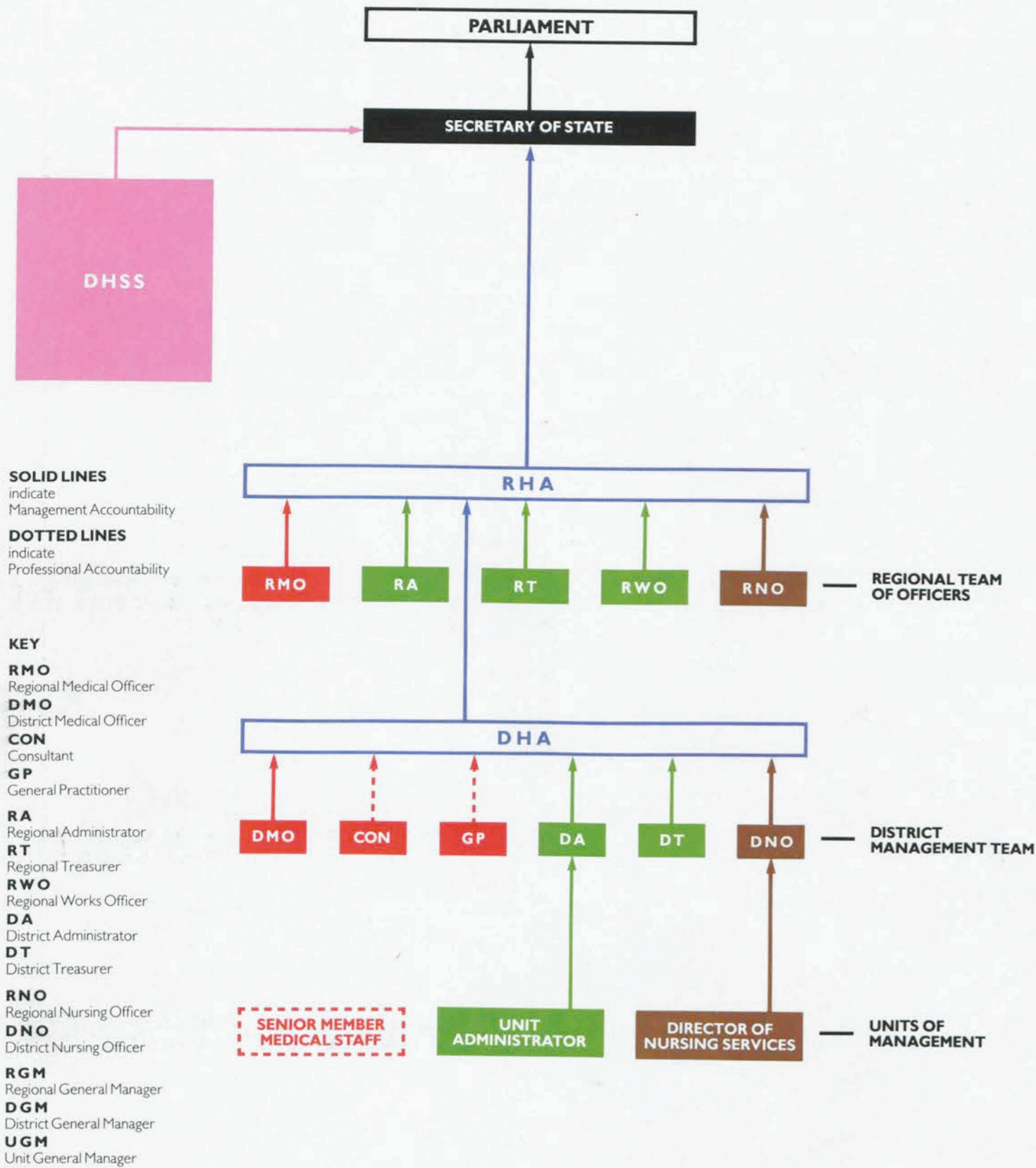
The Government is going to implement the Griffiths Report proposals for general management as the next step in its programme of improving management in Health Authorities. (See 'What's Going On?')

This is what is happening

- A Health Services Supervisory Board has been set up in the Department to advise the Secretary of State for Social Services on the strategic direction of the Health Service. Members of this Board include the Health Ministers; the Permanent Secretary and Accounting Officer, the Chief Medical Officer, the Chief Nursing Officer; Mr Roy Griffiths and the Chairman of the new NHS Management Board.
- An NHS Management Board is being established within the Department: it will carry out, under the direction of Ministers, those management functions in respect of Health Authorities which the Department must carry out – for example, finance, information and performance review. It will report to the Supervisory Board on Health Authorities' performance; the new Chairman, when appointed, will be a member of that Board.
- Health Authority management is to be strengthened at Regional, District and, later, at Unit level.
- Each Regional and District Health Authority is to identify a General Manager who will then take responsibility – and be accountable to his or her Authority – for the overall managerial performance of the management team and the people under it. When Authorities have done this, District Health Authorities will identify Unit General Managers.
- Regional and District Authorities are being given considerable freedom to propose arrangements which best suit their local requirements, but they and their Units must establish their own general management function and that for their Units, by the end of 1985.
- In line with the intentions of the 1982 reorganisation, decision-making and responsibility is to be devolved wherever possible down the organisation to the Unit, where patient needs are directly met and where the changes must occur to achieve the overall aim of improving services to patients.
- Support for the new and existing management roles is to be provided by the NHS Training Authority through an enhanced management training programme, particularly geared to doctors and nurses.

Health Authority Management – The Present

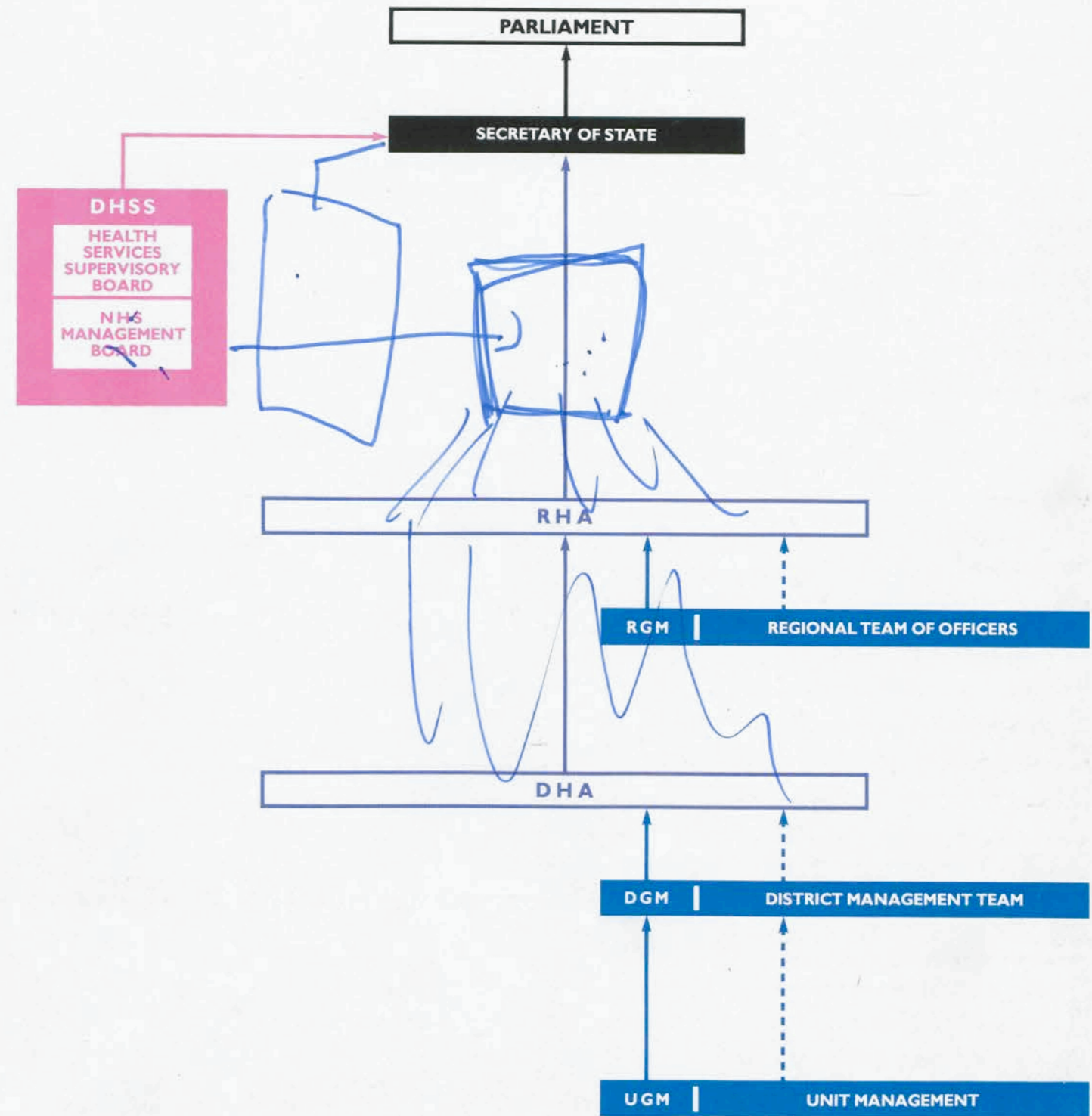
This is a simplified representation of the main present management relationships in Health Authorities and their links with DHSS, the Secretary of State for Social Services and Parliament.



Health Authority Management – The Future

This is a simplified representation of the key future management relationships in Health Authorities and DHSS, how they link to each other, to the Secretary of State for Social Services and to Parliament.

These management developments will all take place within the existing accountability arrangements and statutory framework.



What's Going On?

The introduction of general managers in Health Authorities is not being done in isolation. It is part of a national development programme in NHS management: some parts established already, some happening now, some yet to come.

Developments in 1982

Health Service restructured

Rayner-type scrutinies introduced for the Health Service

System of annual accountability reviews established

Annual review by Ministers of Regional Health Authority performance introduced

Annual review by Regional Health Authorities of District performance introduced

Developments in 1983

Annual accountability reviews extended: DHA reviews of Unit performance

Comparative performance indicators applied

Value-for-money audit programme introduced

Manpower planning tightened up

Manpower information now available more quickly and at quarterly intervals

Competitive tendering introduced

NHS Training Authority established

Griffiths Report published

Health Services Supervisory Board set up by Secretary of State

Developments in 1984

Cash limits, manpower targets and service development brought together

Cost-improvement programmes established

DHSS Headquarters manpower target – 20% reduction since 1979 – achieved

Stock control reviewed

Nucleus of new Health Service Management Board created

and now

Griffiths Report implemented and general management function introduced in Health Authorities

Further action planned or in hand:

Chairman of NHS Management Board to be appointed and Management Board established

Management budgets for DHAs being further developed

Works function being reviewed

Introduction of improved information systems (based on the review of Mrs Körner's Working Group)

Review of communications between DHSS and NHS (led by a Regional Administrator)

Review of possible further developments in Health Authorities' financial management (led by a Regional Treasurer)

NHSTA management training programme being introduced

Questions and Answers

Wouldn't it be better for Government simply to put more money into the Health Service?

The Government is putting more money into the Health Service. Spending on the NHS has doubled since 1979 from £7¾ billion to £15½ billion, an increase of 18% more than inflation.

But that's not the whole of the argument by any means. No matter how much money is put into the NHS, we will never be in the position where we will be so rich that we could afford to waste money. There is a duty to be efficient. A sensible management system aids the effective use of resources which are inevitably limited. NHS management must have the authority, and take the responsibility, for promoting efficient use of those resources.

Shouldn't we be allowed to settle down from the 1982 reorganisation before we embark on all this?

This new scheme isn't a reorganisation – it is a development of the 1982 structure. Most peoples' jobs will remain much as they are. It is the process of **managing** the 1982 structure which is being improved. 'Settling down' is a luxury which few organisations can afford, since their clients are constantly becoming more demanding about the services they require.

Not only that, but every time an organisation develops a new system – like the 1982 reorganisation – experience soon shows how to make the next set of improvements. All organisations have to adapt to changing circumstance and the NHS can, and must, continue its long history of evolution in order to carry out its tasks in the best possible way.

Will these new general managers have powers to take decisions and promote action?

Yes. They will be responsible for the effective working of their teams and staff. Responsibility **without** power is the role of the scapegoat. If you want effective management, then responsibility and authority have to be matched. That is what these new proposals aim to achieve.

What happens if the doctors or nurses disagree with the General Manager?

If the disagreement is over a management decision, the General Manager must fulfil his responsibility to see that the decision is taken, if necessary by the Authority itself. This is the job the Authority has given him or her.

If the disagreement is over a professional matter, the doctors and nurses will be able to refer to the Authority, as at present.