

To: All Members of the Institute

28th July 2010

Dear Member,

Equity and Excellence: Liberating the NHS

Doubtless by now you will be aware of the broad nature, and possibly fuller details, of the Secretary of State's proposals for further reorganisation of the NHS. As Chairman of the Institute I would like to share with you the initial reactions of the Executive Board to these changes.

In terms of its overall objectives, the Institute welcomes the White Paper. With its commitment to excellence in healthcare management, the Institute has always promoted the importance of customer satisfaction and endorses wholeheartedly the objective of putting patients and the public first, as the Secretary of State has identified. The abandonment of clinically distorting targets and the related shift from outputs to outcomes, as the preferred measures of performance, are all welcome as are the proposals for greater delegation and autonomy of decision making.

Whilst welcoming the White Paper's objectives, we feel that the structural changes it intends will inevitably create additional pressure to add to the pre-existing financial challenges from which they will be an expensive distraction. The likely cost of and benefit from the reorganisation are also unquantified. As experienced managers, all Institute members are keenly aware that organisational change creates uncertainty and risks a loss of short term focus and control. Both of these will be at a premium when greater effectiveness and efficiency is also being demanded. Managing change and managing healthcare are each exacting full-time tasks and doing both concurrently, in a stringent financial climate, will test each member's capabilities to the full. When these challenges are joined by an ambition to reduce significantly the number of staff in managerial roles, there is cause for serious concern.

Though on its final pages the White Paper does acknowledge that ... *'Effective implementation will require major and sustained implementation effort right across the NHS over a number of years'* the subsequent reference to management input says only that there will be *'need for good managers performing essential functions, such as managing finance and contracts...'* This suggests there is no appreciation of, or insight into, the scale and complexity of the managerial challenge and the high levels of managerial competence that will be required to achieve the proposed changes.

It is still too early to assess how the White Paper proposals will play to the breadth of the NHS audience or to the wider public. But within the Institute's membership it is likely that many will be de-motivated by the latest threats to their position, though for others the future may offer some

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benefits and opportunities. What cannot be ignored is that the loss of both Strategic Health Authorities and Primary Care Trusts will inevitably bring a reduction in posts, even if many will still be needed within new GP consortia or other replacement bodies.

The Institute believes it unrealistic to attempt to reshape the Secretary of State's overall intentions but it has already pressed its opinion that success or failure will be more dependent on managerial experience, capability and willingness than has so far been recognised. It is also arguing that change should not, yet again, be allowed to result in the wholesale loss of corporate managerial memory and experience that has been accumulated at great national expense and personal dedication.

The Institute has already offered the professional expertise that exists within the breadth of our membership to advise and help with the restructuring. The Executive Board will continue to highlight the extensive experience of members in managing change across the NHS and the relevance of effective management in achieving the service and financial objectives set out in the White Paper.

Meanwhile, the Institute is already considering how it might best support members during this further round of change and we can already see needs that stretch from career counselling through awareness building programmes to mentoring and emotional support. More information about these activities will be available over the next few months as members' precise requirements are clarified.

Lastly, I would like to invite you to help shape our further representations on the White Paper by emailing us your comments. We are also particularly anxious to hear what practical support you would find helpful in the months ahead. Please do contact us at whitepaper@ihm.org.uk or call our Membership Help Desk on 0207 593 0461, where you can also leave a recorded message outside office hours.

Which ever way is convenient for you, we look forward to hearing your suggestions.

Yours Sincerely.



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