

GENERAL OBSERVATIONS

1. We were brought in not to be instant experts on all aspects of the NHS but, because of our business experience, to advise on the management of the NHS. We have been told that the NHS is different from business in management terms, no least because the NHS is not concerned with the profit motive and must be judged by wider social standards which cannot be measured. These differences can be greatly overstated. The clear similarities between NHS management and business management are much more important. In many organisations in the private sector profit does not immediately impinge on large numbers of managers below Board level. They are concerned with levels of service, quality of product, meeting budgets, cost improvement, productivity, motivating and rewarding staff, research and development, and the long term viability of the undertaking. All things that Parliament is urging on the NHS. In the private sector the results in all these areas would normally be carefully monitored against pre-determined standards and objectives.
2. The NHS does not have the profit motive, but it is, of course, enormously concerned with control of expenditure. Surprisingly, however, it still lacks a real continuous evaluation of its performance against criteria such as those set out above. Rarely are precise management objectives set; there is little measurement of health output; clinical evaluation of particular practices is by no means common and economic evaluation of those practices extremely rare. Nor can the NHS display a ready assessment of the effectiveness with which it is meeting the needs and expectations of the people it serves. Businessmen have a keen sense of how well they are looking after their customers. Whether the NHS is meeting the needs of the patient, and the community, and can prove that it is doing so, is open to question.
3. It therefore cannot be said too often that the National Health Service is about delivering services to people. It is not about organising systems for their own sake. In proposing the NHS in 1944, the Government declared that:
 - the real need is to bring the country's full resources to bear upon reducing ill health and promoting good health in all its citizens; and
 - there is a danger of over-organisation, of letting the machine designed to ensure a better service itself stifle the chances of getting one.