

PRIME MINISTER

CF: please pa

I have spoken on these lines
to DHSS and the Cabinet Office.

Sub
2/4

NHS RECRUITMENT ADVERTISING

Attached is a paper for H. Committee by Mr. Fowler which takes up a recommendation of a Rayner scrutiny. The proposal is for a jobs register put out to competitive tender among private publishing firms which health authorities will be required to use for all national NHS vacancies. This would save £7 million a year. There would undoubtedly be opposition from a number of established professional journals which are largely financed by job advertisements, but with savings of £7 million in prospect, Mr. Fowler does not think that this is a critical factor. Altogether, a good example of the kind of ideas which can be thrown up by scrutinies.

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Alternatively we could use the
to persuade the
Towns substantially to
reduce their advertising charges
mb

30 March 1984



NBP M

AT 30/17

CCND

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From the Secretary of State for Social Services

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27 July 1984

On 4 April 1984 I put to H Committee a memorandum on the NHS Rayner Scrutiny on Recruitment Advertising (H(84)14). H Committee agreed that negotiations should be pursued with the publishing interests with the intention that if substantial savings could not be achieved from them, the option of a national job register should be pursued.

A team of officials, including the author of the Report and led by the Parliamentary Under Secretary (Health), met each of the major publishers whose journals carry recruitment advertising. There was some understandable initial opposition to the prospect of a reduction in advertising revenue but the possibility of a national jobs register, which would take all recruitment advertising away from the journals, produced encouraging and positive results. All the publishing interests were frank and open about their costs and the way in which savings could be produced, providing detailed figures.

The publishers accepted that health authorities were placing too many adverts at too great a cost, using display formats simply to cancel each other out. All the major publishers agreed that they would be prepared to see a reduction in their income from health authorities' recruitment advertising and that they would not seek to recoup their losses by higher rates. They also agreed after discussion to accept advertising direct from health authorities and to pass on to the authorities the benefit of discounts of 10 - 15 per cent currently creamed off by advertising agencies. The effect of these various undertakings, which would be the subject of formal contracts, is that we believe that the savings from Option Three - economies in the use of existing journals - can be increased from the £3 million identified in the scrutiny report to £4 million. The major part of the additional savings comes from cutting out the agencies. There would also be some savings to other public sector employers, who would be covered.

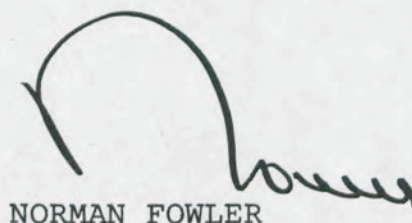
The consultation process has revealed, as expected, strong opposition from the medical, nursing and paramedical professions to the Jobs Register option. Our discussions have established that adopting the Jobs Register would put one or both major nursing publications out of business, would kill off the two therapists publications and would put Lancet subscriptions up by 50 per cent.

During the consultation period we have also reexamined the likely savings from a Jobs Register. This examination confirms that a jobs register or registers could be produced within the scrutiny report estimate of £1 million, but against this it now appears that there would be some additional costs - to health authorities in distribution and in demands on personnel departments and less tangibly in permanent loss of some trained staff who could not be reached by a register. While these additional costs cannot be readily quantifiable they certainly reduce the apparent gap between the two options.

I intend therefore to adopt the option of making savings with the existing publications (Option Three). I shall make clear to the publishers that this decision is dependant on the savings being delivered and that I shall keep open the option of introducing a jobs register at a later stage if that proves necessary. I shall also be monitoring expenditure by health authorities to ensure that they are reducing their recruitment advertising budgets accordingly.

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

I would be grateful for any comments by 8 August, with a view to an announcement in the next few days.



NORMAN FOWLER