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DEPARTMENT OF HEALTH & SOCIAL SECURITY

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From the Permanent Secretary

Sir Kenneth Stowe KCB CVO

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15 August, 1984

FHRB o.r. (3 Sept)

My dear Robert.

When my Secretary of State and I had our long talk with the Prime Minister on 29 June about some of our immediate staffing problems I realised that we had not served the centre - and her Office - very well in briefing about what this Department's job is and how we do it. I told Robin Butler afterwards that I would set in hand a new version of our basic brief.

The enclosed hand-book on "The Functions, Staffing and Management of DHSS" is an up-dated and expanded version of a standing Departmental brief for Ministers and senior colleagues. It aims to provide a snapshot (with a particular emphasis on the Headquarters role) of what this Department does, how its activity is staffed and managed, and what the major tasks in hand or ahead are.

I hope the hand-book will be of interest also to Peter Middleton, Robin Ibbs, and Robin Butler, to all of whom I am copying this letter and the hand-book. We shall up-date it from time to time. If it appears to you to have any holes in it or leave obvious questions unanswered, please let me know and we can correct it.

Yours ever.

Ken.

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THE FUNCTIONS, STAFFING AND MANAGEMENT

OF THE

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

August 1984

THE FUNCTIONS, STAFFING AND MANAGEMENT OF DHSS

CONTENTS

THE FUNCTIONS, STAFFING AND MANAGEMENT OF DHSS

Introduction

1. DHSS is one of the largest Government Departments, responsible for programmes involving over £53 billion* a year - or over 42 per cent of all public expenditure - and nearly £22 billion in revenue raised from contributions and charges. It is accountable to Ministers and Parliament for five major businesses:-

social security;
hospital and community health services;
family practitioner services;
centrally financed health services
(eg special hospitals, public health laboratories);
personal social services.

2. Chart I (see page 15) summarises the money and manpower involved in the 5 businesses. Key features are:-

2.1 Each business has a distinct management relationship with the Secretary of State:-

social security - direct line management of 529 central, regional and local offices in Great Britain;
hospital and community health services - 214 statutory health authorities in England are accountable to the Secretary of State for the provision of services;
family practitioner services - 53,000 independent businesses under contract to 90 Family Practitioner Committees accountable to the Secretary of State;
centrally financed health services - mixture of direct management and accountable agencies;
personal social services - 110 English local authorities given guidance.

2.2 None of the functions of these businesses is unique to DHSS. Other Departments collect revenue, pay benefits, set health care

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*All figures relate: to 1984/85 unless otherwise stated; to Great Britain for social security and to England otherwise.

policies, allocate resources and take custody of dangerous people. What is distinctive about DHSS is the spread and volume of its responsibilities. (An indication of this is given by the full list of statutes governing the work of the Department - see Fact sheet 1 on page 19). No other Departmental Minister or Accounting Officer has the same direct responsibility for so much detail on such a scale.

3. It is this spread and volume of responsibilities, the variety of functions they entail, and the way the Department is staffed to perform them which this brief summarises.

OVERALL MANPOWER

4. The Department had 89,976 staff in post on 1 July 1984 - a reduction of 8,393 (or over 8%) since 1 April 1979. These figures disguise the true extent of staff savings made over this period:-

- demand-led work increased the staff requirement for local social security offices by 6,500;

- and opening the new Special Hospital for detained patients (a centrally financed service) at Park Lane needed nearly 900 more staff.

So the gross reduction from 1979 to 1984 is about 15,800 (or 16%).

5. Chart II (see page 16) shows how the 90,000 divide between Headquarters in London, the social security organisation outside Headquarters, and the DHSS staff running directly managed health services. It also shows how the numbers in each category have changed since April 1979.

6. Key features are:-

6.1 Over 80,000 (or 89%) work outside Headquarters, the vast majority of them on the operational tasks of determining social security claims and paying benefit. These are statutory requirements which must be carried out both accurately and promptly. The progress of the Department in improving productivity and efficiency in social security operations is detailed in Fact-sheet 2 on page 21. The overall picture

is one of fewer staff dealing with more benefit claims and of a drop in overall administration costs as a percentage of benefit expenditure from 5.0% in 1978-79 to 4.7% in 1983-84 even though the proportion of means-tested benefits, which are substantially more expensive to administer, has increased greatly.

6.2 A further 4,500 staff (or 5%) work, also outside HQ, directly on providing services to particular groups : for detained patients in the 4 special hospitals, for disabled people at the network of artificial limb centres, and for young offenders at Youth Treatment Centres and a further 500 are engaged on NHS superannuation work.

6.3 The vast majority of the Deparmtnet's staff are concentrated in the more junior grades with 93 per cent being of Executive Officer or lower grade. This is reflected in the fact that the average salary cost of a DHSS official is about £6,900 compared to about £8,500 which is the comparable figure for the Civil Service as a whole.

7. It is on the functions of the staff at Headquarters that the following paragraphs concentrate.

HEADQUARTERS MANPOWER

8. At 1 July 1984 the staff of DHSS Headquarters totalled 5,305 (or 5.9% of the total). These include about 1,000 staff working either for independent statutory authorities such as the Mental Health Review Tribunals and the Chief Adjudication Officer or for a number of out-stationed service-providing organisations such as the Regional Medical Service and the Dental Reference Service. A more accurate figure for the core of professional and administrative staff directly supporting Ministers at Headquarters is therefore 4,300. There has been a 24% reduction in HQ manpower since April 1979 and HQ will participate fully in achieving the Department's target for 1 April 1988.

9. Chart III (see page 17) shows the main organisation of Headquarters divided into blocks headed by Deputy Secretaries or Heads of Profession. The staff working within these blocks can broadly be broken down into:

- those working specifically on the management of one of the 5 businesses;

- those working on various aspects of overall social policy (covering not only social security and health and personal social services but also a number of health functions not carried out directly through one of the 4 HPSS businesses); and

- those providing corporate services to the Department as a whole: establishments and personnel management for 90,000 staff; analytical services provided by economists, statisticians, and operational researchers; support services such as legal advisers, press office, library, management services, and office services; research management, etc. Some tightening of the organisation of support services is likely as a result of the inter-departmental study of consultancy, inspection and review capabilities.

The distribution of staff between these broad categories is shown in Chart IV on page 18.

HEADQUARTERS FUNCTIONS

10. Within these broad categorisations is a very wide diversity of tasks and functions.

11. The 5 Businesses:- For each of the businesses the Secretary of State sets the policy objectives designed to fulfil his statutory responsibilities and determines the management action by which to achieve them. The extent and nature of the management action (and so the number of staff employed on it) vary according to the business and the management relationship between the service providers in the field and the Secretary of State and the Department. The relationship for 4 of the 5 businesses (the centrally financed services being too small and varied to be summarised) is broadly:

11.1 Social Security: the management effort at the centre is devoted to the operation and improvement of a directly managed system under which annually 35 million beneficiaries receive payments totalling £35.6 billion (this year) through the 80,000 staff of 529 offices and £19.1 billion in National Insurance contributions is collected (and recorded on computers holding 53 million contribution records).

Illustration: a more detailed picture of the tasks involved here is given by the extract at Annex A on pages 25-26 from the annual divisional management account (DMA) of the Regional Directorate division which manages the Great Britain local office network.

11.2 Hospital and Community Health Services: Ministers' responsibilities here are delivered through the agency of the 14 Regional Health Authorities, 192 District Health Authorities (and 8 special health authorities governing the London post-graduate teaching hospitals). A major management effort is needed to see that these authorities plan and deliver services in line with Government policy and objectives, manage their operations efficiently, and are held properly to account for their performance and use of public funds and of manpower. (Fact-sheet 3 on pages 22-23 lists the main steps taken by the Government as part of this management effort).

In addition, the Department performs certain specific central functions, eg allocating resources (to a total of £9.8 billion in 1984-85) to the health authorities; and negotiating, through the Whitley and Review Body machinery, the pay and conditions of over 1 million staff (in Great Britain) - 135 Whitley Council meetings alone in 1983.

Illustration: a more detailed function of one of the tasks involved here is given by the extract at Annex B on page 26 from the DMA of NHS Division P2 (now in the NHS Management Group).

11.3 Family Practitioner Services (FPS): Services are provided on the Secretary of State's behalf by 53,000 independent family doctors, dentists, opticians and chemists under contracts negotiated centrally by the Department and administered locally by 90 Family Practitioner Committees. To secure the Secretary of State's objectives the Department can operate on the contracts of the practitioners (through negotiations with their representatives) and on the supply and distribution of manpower. Further management effort goes into establishing, monitoring and holding to account the Family Practitioner Committees.

Illustration: for more detail see the extract at Annex C on page 27 from the DMA from NHS Division P3 (now in the Practitioners Group).

11.4 Personal Social Services: The social services departments of local authorities are required by statute to act under the general guidance of the Secretary of State, who, in addition, possesses certain specific powers (eg of formal inquiry, inspection and action in default) and responsibilities (eg in relation to social work training). The Secretary of State does not, however, have the same role of direct resource allocation and systematic monitoring of performance as for health authorities. The Department's management effort therefore has to be devoted to stimulating the social services provision it wishes to see through written guidance, through its contacts with the local authority associations and other representative bodies, through centrally financed initiatives - and through the advisory and inspectorial role of the Department's professional Social Work Service (SWS) central and regional staff. That role will be strengthened with the proposed development of the SWS into a Social Services Inspectorate (SSI): in particular, the SSI will have a new emphasis on promoting efficiency in social services departments and for that purpose will be reinforced by outside people of relevant management disciplines on secondment.

Illustration: for more illustrative detail see the extract at Annex D (on page 28) from the DMA of the Social Work Service.

12. In addition to staff working specifically on one of these businesses, a further group of staff work on various aspects of social policy taken as a whole. This covers social security policy, overall HPSS policy, and specific wider health and social functions (many of the latter being dealt with by staff also working on HPSS or social security policy).

13.1 Social security policy: The staff concerned support Ministers in defining Government policy, monitoring its implementation, and responding to the requirements of Parliament and requests from pressure groups and the media for Government policy initiatives and statements. This entails, for example, analysing available information on existing provision and needs, identifying requirements for further information and research, and developing and costing options for improving the effectiveness and efficiency of provision in the light of the operational capabilities of the social security system. It mean close working with other Government departments - eg with the Department of Employment on Unemployment Benefit or the Department of Trade and Industry on private sector occupational pension provision.

13.2 In addition to these continuing policy functions, the Department has to be capable of responding to the need for more fundamental review of programmes when it arises - as in the 4 current reviews (of pensions, supplementary benefit, housing benefit, and benefits for children and young people), which have required highly qualified support staff and involved the creation of a central co-ordinating unit.

14. Overall HPSS policy: The staff here are principally in the HPSS Policy group (and related professional divisions), working on health and personal social services issues which cross the administrative boundaries between the different HPSS businesses: for example, primary care, the care of the elderly, mentally ill and handicapped, children, and other client groups. The policy function is broadly the same as for social security (para 13.1 above) but it is more complex because of the greater variety of agents for delivering services and the less direct management relationship with them. To be effective, work on HPSS policy requires contacts with many different organisations and groups outside the Department : professional bodies, voluntary bodies, the NHS authorities themselves, local authorities, research units, other government departments, and so on. The role of the Department's professional staff is particularly important here : formulating policy has to take account of developments in professional thinking and knowledge and it will only be successfully implemented if it is understood by, and has the support of, the doctors, nurses and other staff in the front-line of caring for patients. The links of the Chief Medical Officer and Chief Nursing Officer, and their staff, to the professional bodies and to key professional staff in the field are as much a part of the management system for achieving the Government's objectives as the Department's direct relationship with the statutory authorities.

15. Wider health and social functions : Finally, the Secretary of State has, in addition to his responsibility for the main businesses of DHSS, a wide variety of separate, though related, responsibilities, deriving some from specific statutes (see section 2 of Fact Sheet 1), others from his general statutory duty (under the Act of 1919 setting up the Ministry of Health) "to take all such steps as may be desirable to secure the effective carrying-out and co-ordination of measures conducive to the health of the people".

16. These wider responsibilities include : promoting health education and preventive health measures (including preventing, and controlling outbreaks of, infectious diseases); other public and environmental health functions (such as food hygiene); relations with, and control of, the private health sector (including the licensing and inspection of some private facilities, eg for abortion); evaluating the safety and efficiency of health care equipment; licensing medicines; liaison with, and grant-aid to, voluntary bodies; monitoring the professions' self-regulation (registration, education, disciplinary procedures, etc); sponsoring research; and international work (negotiation and operation of reciprocal health agreements; negotiation of relevant EC directives, advice to travellers on health hazards, etc).

17. Key features of these wider health and social responsibilities are:-

17.1 many of them involve executive functions, usually laid down by statute : an illustration is given by the extract at Annex E on page 29-30 from the divisional management account (DMA) of the joint administrative and professional Medicines Division responsible for the licensing of medicines and related procedures. This Division is a good example of work in the Department which is largely demand-led (see quantification attached to DMA extract) and often has a high political profile, usually in the form of pressure on the Department for tighter controls and greater investment of resources;

17.2 a necessary role is played, here again, by specialist professional staff of the Department, who provide technical advice and services not only to the Secretary of State but also to other government departments : an illustration is given by the extract at Annex F on pages 30-31 from the DMA of the medical division responsible for toxicology and environmental protection. Again, an example of work which is largely demand-led, often politically sensitive (witness the public concern over the incidence of leukaemia near the Sellafield Nuclear Fuels site), and, in this case, requires trained staff (toxicologists) in short supply and often sought after by industry and international organisations;

17.3 while some of these wider health and social functions are discrete (eg Medicines Division - 17.1 above), others are performed by staff also working on related mainstream HPSS functions : eg grant-aiding voluntary

bodies concerned with, say, the elderly, is the responsibility of the branch with general responsibility for care of the elderly; and the monitoring of, say, the medical profession's self-regulation is done by the division responsible generally for doctors' pay and conditions, medical manpower planning, etc.

18. Accounting to Parliament and the public. A final major function of HQ, affecting all divisions, consists of the day-in, day-out activity of servicing Ministers, Parliament and the public. Fact Sheet 4 on page 24 describes and, where possible, quantifies the burden on Ministers and DHSS HQ which this represents.

MANAGEMENT CONTROL

19. Managing the work-load described in this brief is in itself a major task. The overall record on manpower and efficiency is set out in Fact Sheet 2. So far as HQ is concerned, considerable effort has been devoted in recent years to ensuring that work is necessary, fits with Ministerial priorities, and is performed as efficiently and economically as possible. In 1980 a major review under the direction of Ministers looked critically at all the functions of the Department to see if any were unnecessary or could be better carried out outside the Department. This contributed to the 24 per cent reduction in HQ numbers since 1979. As part of this reduction the number of Senior Open Structure (Under Secretary and above) posts has decreased from 75 in 1979 to the present allocation of 57. Recent developments to the same end are the setting-up and implementation of the Griffiths Report in relation to HCHS management and the externalisation review of the Departmental Works function.

20. The action taken in response to the Financial Management Initiative has further strengthened the system of management control. The key to that system is the Divisional Management Account (DMA) review process. The purpose of this is to enable Ministers and senior officials : to be informed in detail about Departmental activity; to clarify objectives and re-deploy resources accordingly; and to make divisional heads properly accountable for progress towards the objectives and their use of staff and other resources. Under this system:-

- each divisional head submits an account setting out the division's organisation, resources, and functions, progress towards the previous year's objectives and proposed objectives for the coming year;

- each DMA is reviewed by members of the Departmental Management Board (see para 22 below) and a proportion (25% in the 1983-84 round) by Ministers; and

- a summary report is put to Ministers, detailing in particular the achievements of the past year, key objectives and what the objectives imply for the organisation and manpower of the Department.

21. It is a measure of the achievement of this system that this year it has enabled the Department to provide by redeployment staff for the major social security and other programme reviews decided on by Ministers and substantially to increase the staff available for developing the social security operational strategy without an increase in overall staffing and while staying on course for delivering the Department's manpower target for 1 April 1988.

22. The management system of the Department, of which the DMAs are the key, has recently been further strengthened by developing the role of the Departmental Management Board (DMB). The DMB, which now meets fortnightly, is composed of the 3 Permanent Secretaries and Accounting Officers (including the Chairman of the NHS Management Board when in post), the Chief Medical Officer (who also has Second Permanent Secretary rank), and the Principal Finance and Establishments Officers. Through its chairman, the First Permanent Secretary, the DMB is responsible to Ministers for monitoring progress towards the key objectives agreed through the DMA system and for taking corrective action when monitoring shows it to be necessary. For this purpose the Board has instituted a system of quarterly reports on each key objective by the accountable official concerned. The DMB will in turn make quarterly reports to Ministers.

THE TASKS AHEAD

23. The management control system described has enabled the Department to set itself up to carry out for Ministers the major programme of work which lies ahead.

24. This programme consists of both policy and management tasks, the main ones being:

24.1 POLICY TASKS: These include the reviews which, taken together, amount to a comprehensive re-examination of the programmes for which the Secretary of State is responsible:

24.1.1 Social security:

- carry through the 4 fundamental reviews (para 13.2 above) and formulate policy proposals for action, including legislation.

- complete consultation on occupational pension scheme reforms and develop legislation proposals

24.1.2 health services:

- work up and publish a Green Paper on Primary Care (including the FPS)

- review (with other Departments) current activity on prevention and consider scope for development

- develop firmer objectives on other strategic service issues (priorities in hospital care, care of the elderly, medical and nursing manpower)

- work up and publish a 1984 Report on the NHS

24.1.3 personal social services:

- complete an in-house PSS review and publish options in a Green Paper

24.2 MANAGEMENT TASKS

24.2.1 general: implement the proposals resulting from the programme reviews listed at 1. above (social security, primary care, prevention, personal social services)

24.2.2 social security:

- continue to implement the operational strategy
- detailed implementation of the 1983 legislation on adjudication

24.2.3 hospital and community health services:

- establish the general management function in health authorities and units, and follow through other Griffiths recommendations
- thoroughly re-appraise health authorities' short-term programmes (including use of manpower) and performance objectives
- implement new proposals on information for management; and develop a longer-term strategy for information and information technology
- improve the management of the NHS estate
- extend the use of management budgeting by health authorities; and take related action to improve financial management
- review and improve NHS personnel arrangements

24.2.4 Family practitioner services:

- review the contracts of opticians and retail chemists; and negotiate revisions with the professions

- set-up the 90 Family Practitioner Committee (FPCs) as independent authorities accountable to the Secretary of State

- improve the management of FPCs

- develop computerisation in the FPS

24.2.5 personal social services:

- establish the Social Services Inspectorate (para 11.4 above).

24.2.6 internal DHSS management:

- establish the full NHS Management Board in DHSS

- pursue FMI objectives, including developing budgetary control and the divisional management account system;

- continue to work towards 1988 manpower target

- improve monitoring of programme cost-effectiveness

- improve service to Ministers on case-work (PQs, correspondence, etc).

25. Much of this programme of work may, when it is achieved, have implications for the functions and staffing of the Department. Under the continuing pressure exerted through the DMA system and the manpower target exercise the Department will look for proposals for further review. What scope might there be, for example, for moving towards alternative placements in the NHS for the detained

patients in special hospitals? Is there a valid NHS alternative to the service currently given by the artificial limb and appliance centres? These questions are illustrative only; but it is the function of the Department's top management system, under Ministers, constantly to be asking questions of this sort and examining the scope for more efficient performance of functions and use of resources.

CHART I

THE DEPARTMENT'S BUSINESSES

SECRETARY OF STATE FOR SOCIAL SERVICES

SOCIAL SECURITY £ 37.2 bn (GB)

- DIRECTLY MANAGED
- DETAILED LEGISLATION
- SERVICES DELIVERED BY 78,000 DHSS STAFF

Agents: DE, IR and LAs

HOSP. AND CHS £9.8bn (ENGLAND)

- 14 DIRECTLY ACCOUNTABLE REGIONAL HEALTH AUTHORITIES (192 DHAs)
- CENTRAL CASH LIMITS, PAY ETC
- GUIDANCE ON STANDARDS AND PRIORITIES
- ABOUT 800,000 STAFF

FAMILY PRACTITIONERS £3.2bn (ENGLAND)

- 90 DIRECTLY ACCOUNTABLE FPCS
- PAY, PRACTICE EXPENSES ETC DETERMINED CENTRALLY
- GUIDANCE ON STANDARDS AND PRIORITIES
- ABOUT 53,000 CONTRACTORS

- SERVICES DELIVERED BY INDEPENDENT PROFESSIONS

CENTRALLY FINANCED HEALTH SERVICES £0.6bn

- DIRECTLY MANAGED SPECIAL HOSPITALS OR ACCOUNTABLE EG SHAs MEDICINES COMMISSION
- SERVICES DELIVERED PARTLY BY DEPARTMENT'S STAFF AND INDEPENDENT PROFESSIONS

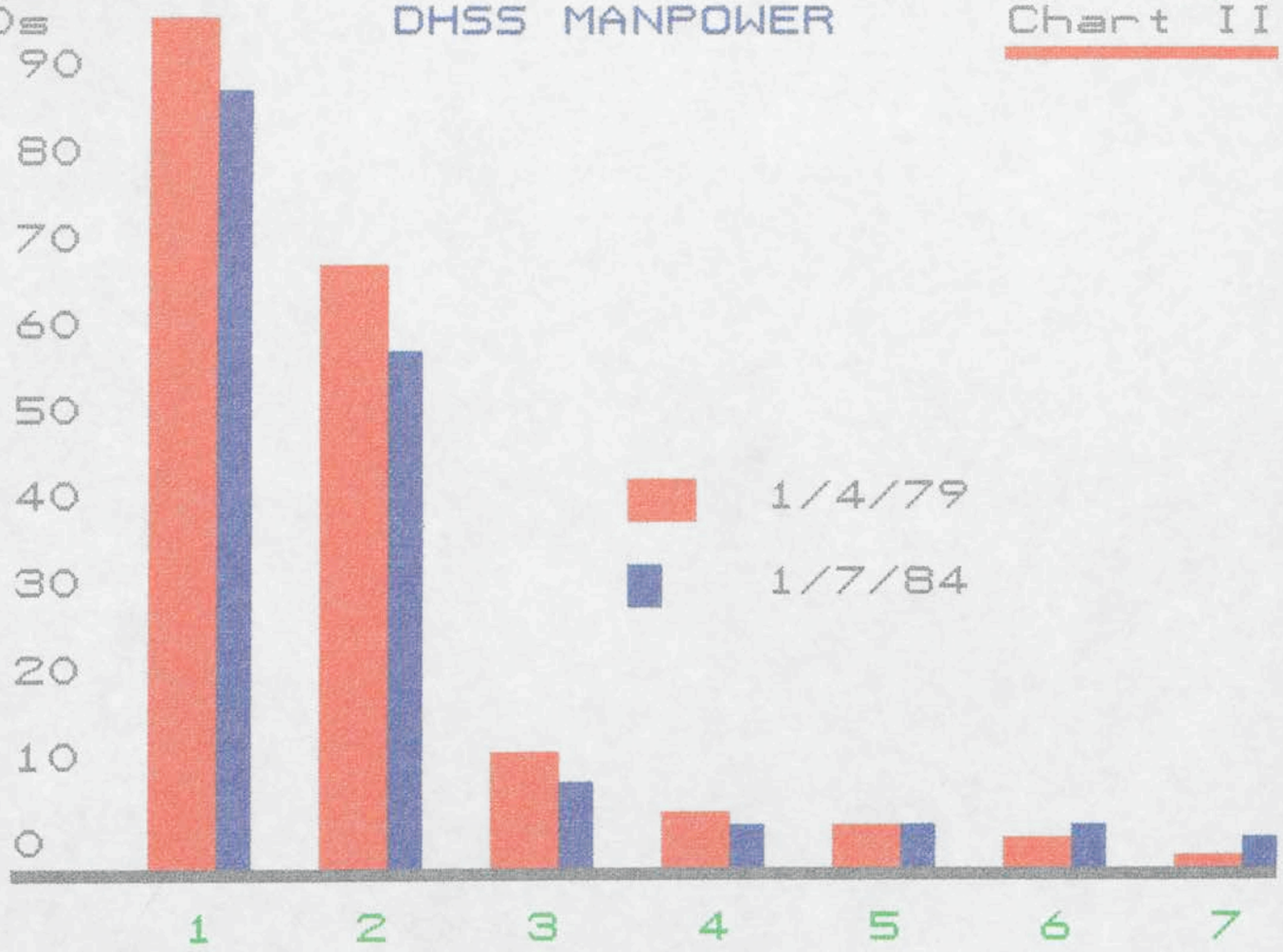
PERSONAL SOCIAL SERVICES £2.7bn (ENG.)

- NOT DIRECTLY ACCOUNTABLE OR MANAGED
- DEPARTMENT'S SOCIAL WORK SERVICE WITH INSPECTORATE ROLE
- GUIDANCE ON STANDARDS AND PRIORITIES
- SERVICES DELIVERED BY ABOUT 200,000 LOCAL AUTHORITY STAFF

DHSS 30297a Op

DHSS MANPOWER

Chart II



DHSS 30297c Op

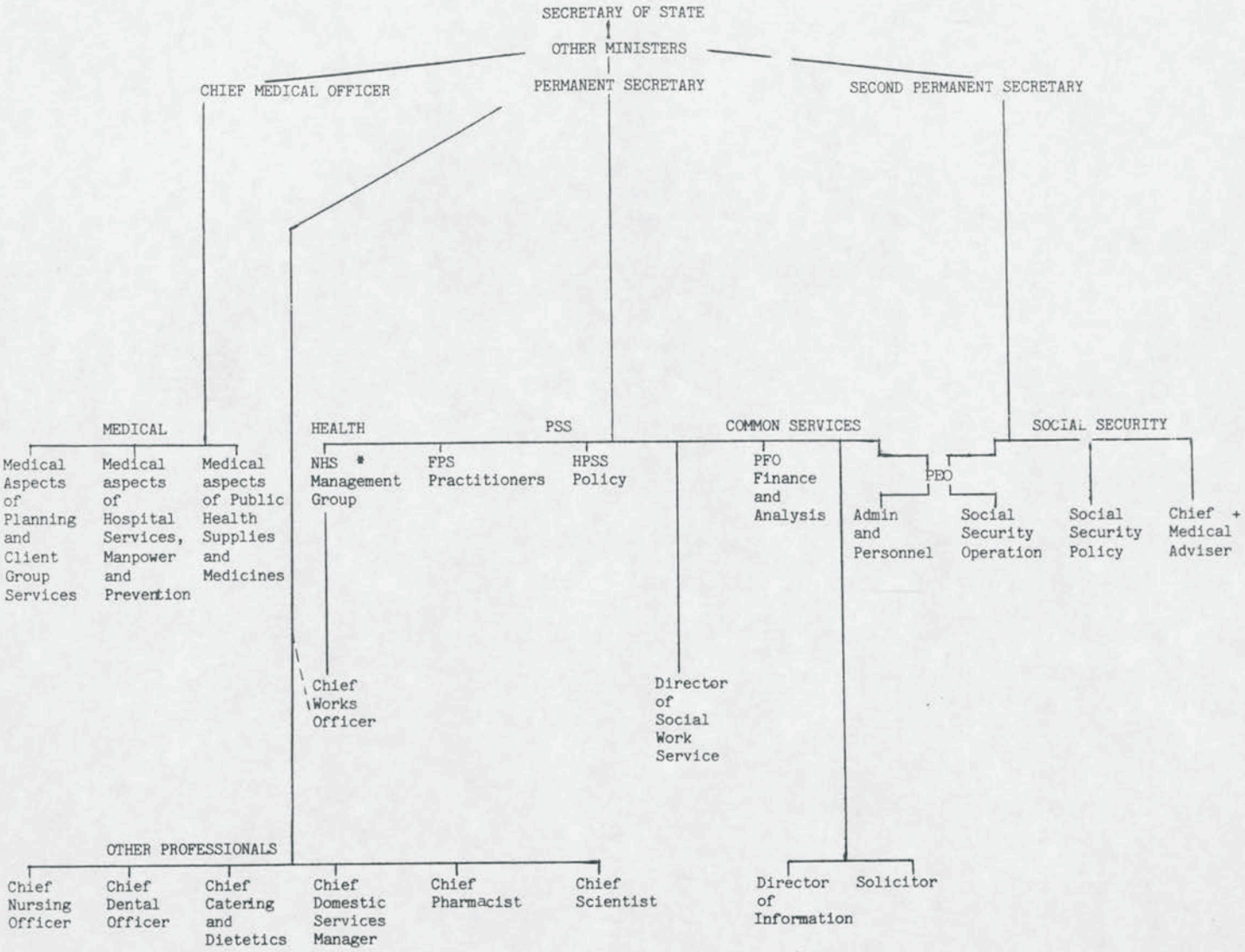
S.I.P.	1/4/79	1/7/84	% change
1 Total DHSS	98,073	89,976	−8
2 Regional Organisation	70,208	65,031	−7
3 Newcastle Central Office	13,082	10,694	−18
4 Headquaters	6,944	5,305	−24
5 North Fylde Central Office	3,977	4,063	+2
6 Centrally administered health services	3,452	4,225	+22
7 Computer Centres	411	658	+60

DHSS 302971 Op

NOTES

The increase in numbers of staff working on the centrally administered health services, column 6 , is accounted for by the opening of a new Special Hospital (a centrally financed service) at Park Lane which needed nearly 900 more staff.

The increase in staff working at the Computer Centres, column 7 , reflects the growing importance of computers in the work of the Department.



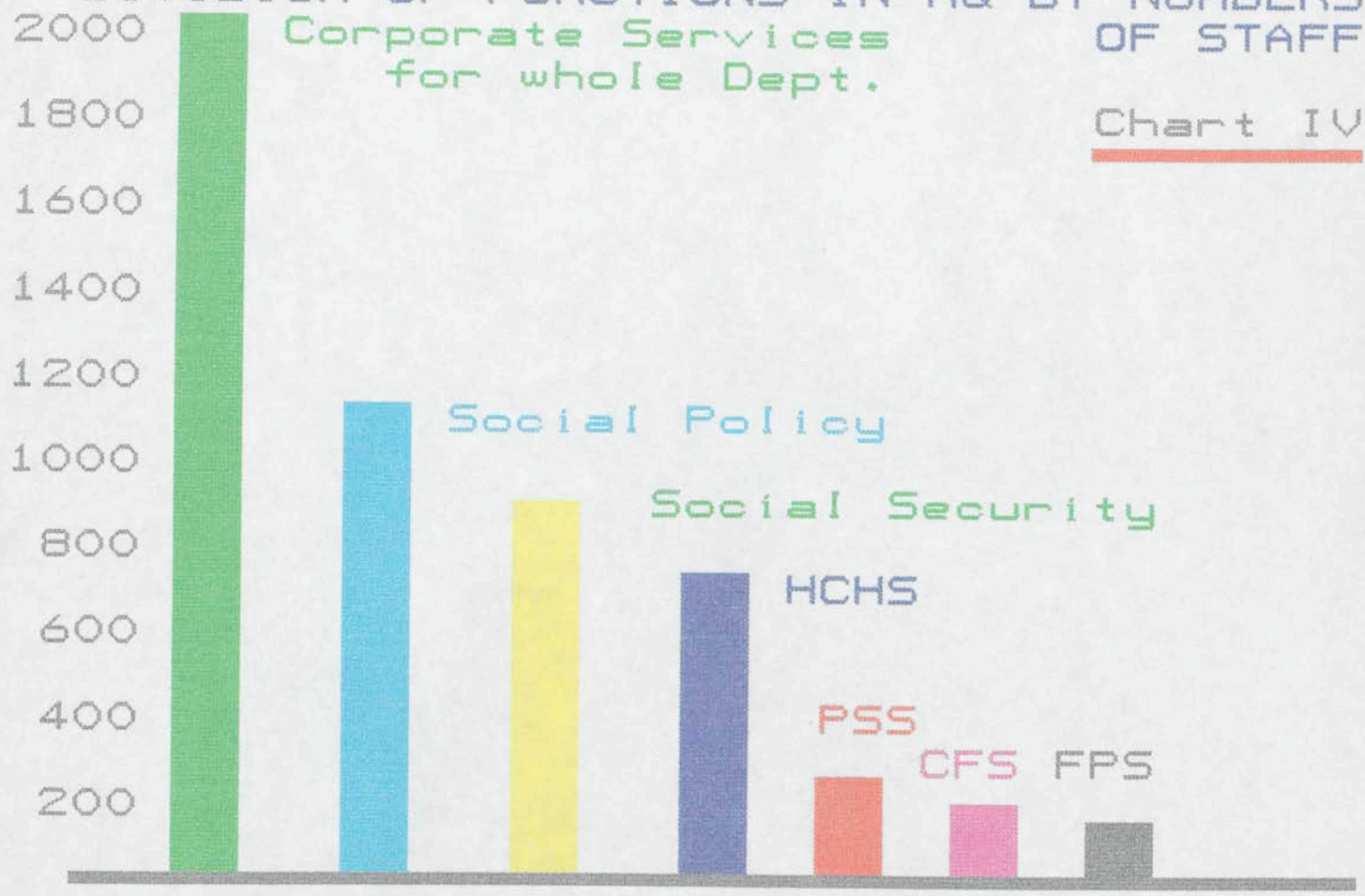
* The NHS Management Group is the nucleus of the NHS Management Board. Like the Board, it is multi-disciplinary, with professional staff professionally accountable to their heads of profession.

+ CMA reports jointly to CMO and Second Permanent Secretary

DHSS 30297b Op

DIVISION OF FUNCTIONS IN HQ BY NUMBERS OF STAFF

Chart IV



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Notes

This chart shows the breakdown of staff in Headquarters working on:

- the management of the Departments 5 businesses, Social Security, HCHS, PSS, CFS, FPS;
- various aspects of overall social policy (covering not only social security and HPSS but also a number of health functions not carried out directly through one of 4 HPSS businesses;
- Corporate services are provided at HQ for the Department as a whole. They include establishments and personnel management for 90,000 staff; analytical services provided by economists, statisticians, and operational scientists; support services such as legal advisers, press office, library, management services, and office services; research management, etc.

DHSS 30297k Op

PRINCIPAL STATUTES GOVERNING THE WORK OF THE DEPARTMENT

1. HEALTH

Ministry of Health Act 1919
National Health Service Act 1977
National Health Service Reorganisation Act 1973
Mental Health Act 1983
Employment Medical Advisory Service Act 1973
Health Services Act 1976
Superannuation Act 1972
Employment Protection (Consolidation) Act 1978
Health Services Act 1980
Health and Social Services and Social Security Act 1983

2. WIDER HEALTH ISSUES

Cancer Act 1939
Food & Drugs Act 1955
Patents Acts 1949 and 1977
Civil Defence Act 1948
Human Tissue Act 1961
Abortion Act 1967
Radio-active Substances Act 1948
Clean Air Acts 1956 and 1968
Medicines Acts 1968 and 1971
Public Health Laboratory Services Act 1979
Public Health Acts 1936 and 1961
Local Government Act 1972
Local Government (Miscellaneous Provisions) Act 1982
Health Services and Public Health Act 1968
Radiological Protection Act 1970
Health & Safety at Work Act 1974
Control of Pollution Act 1974
Biological Standards Act 1975
Vaccine Damage Payments Act 1979
Anatomy Act 1984
Town and Country Planning Act 1984

3. PERSONAL SOCIAL SERVICES

National Health Service Act 1977
National Assistance Act 1948 (Parts III and IV)
Chronically Sick and Disabled Persons Act 1970
Local Authority Social Services Act 1970
Nurseries and Child Minders Regulation Act 1948
Children's Acts 1948, 1972 and 1975
Children and young Persons Acts 1933-69
Employment of Children Act 1973
Adoption Acts 1958-1976 (1976 Act not yet in force)
Foster Children Act 1980
Child Care Act 1980
Residential Homes Act 1980
Children's Homes Act 1982 (Not yet in force)
Health and Social Services and Social Security Act 1983 (Not yet in force)
Registered Homes Act 1984

/continued

4. HEALTH PROFESSIONS

Doctors

Medical Act 1983

Dentists

Dentists Act 1984

Nurses

Nurses Agencies Act 1957
Nurses, Midwives and health Visitors Act 1979

Midwives

Nurses, Midwives and Health Visitors Act 1979

Health Visitors

Health Visiting and Social Work (Training) Act 1962
Nurses, Midwives and Health Visitors Act 1979

Others

Opticians Act 1958
Professions Supplementary to Medicine Act 1960
Hearing Aids Council Act 1968

5. SOCIAL SECURITY

Family Income Supplements Act 1970
Social Security Act 1973
Social Security Act 1975
Social Security Pensions Act 1975
Industrial Injuries and Diseases (Old Cases) Act 1975
Child Benefit Act 1975
Supplementary Benefits Act 1976
Legal Aid Acts 1974 and 1979
Social Security (Miscellaneous Provisions) Act 1977
Social Security Act 1979
Pensioners' Payments and Social Security Act 1979
Social Security Act 1980
Social Security (No 2) Act 1980
Social Security Act 1981
Social Security and Housing Benefits Act 1982
Social Security and Housing Benefits Act 1983

6. WAR PENSIONS

Personal Injuries (Emergency Provisions) Act 1939
Pensions (Navy, Army, Air Force and Mercantile Marine) Act 1939
Pensions Appeal Tribunals Act 1943
Crown Proceedings Act 1947

DHSS 30Z97d 0p
Fact Sheet 2

DHSS Management and Efficiency

1 Introduction

Programmes for improving the efficiency and general management of the Department's businesses have been a central element in our strategy for some years. The FMI has reinforced this approach.

2 Achievements

2.1 Manpower

	1/4/79	1/7/84	% decrease
DHSS	98,073	89,976	9%
Headquarters	6,944	5,305	24%

Further manpower reductions of 3.2% will be achieved by 1988.

2.2 Overall running costs

Down by £29m (2% in real terms) since 1982/3.

DHSS 30Z97e 0p

2.3 Social Security Administration Costs

The average unit cost of benefit payments fell by 4½% in real terms between 1978/9 and 81/2.For non-contributory benefits,administrative costs as a proportion of benefit expenditure fell from 7.4% in 1978/79 to 5.9% in 1983/84. For the contributory benefits,the costs have stayed roughly constant at 3.8% of benefit.

2.4 Quality of service

Service to the public has improved.This is measured by a wide range of performance indicators. One of these is shown below:

Mobility Allowance

Clearance Time
weeks

DHSS 30Z97h 0p

DHSS 30Z97f 0p

3 Techniques

3.1 Efficiency scrutinies 15"Rayner"type studies carried out yielding savings of over 3,600 posts and £22 million in non manpower costs so far.

3.2 Individual studies. As a result of a traffic study 1,000 posts have been saved by the devolution of work which also enabled the number of Regional Offices to be cut from 12 to 7. Another 1,100 posts were saved through the introduction of a postal claim form for the unemployed.Nearly £5m a year is being saved due to the introduction of a 'courier and trunking'service to carry mail between social security offices.

3.3 FMI The Department's efficiency is being improved through the encouragement of better management in accordance with the principles of the FMI.

DHSS 30Z97g 0p

A top management review system has been developed whereby individual managers account for the progress they have made against agreed objectives and for the resources they control. We have introduced a system of budgetary control for certain item of administrative expenditure and we are currently experimenting on the extension of this to manpower control.Other current measures to improve efficiency include experimental incentive schemes for improved performance and more effective use of resources.

3.4 Staff Suggestions Scheme

The suggestions scheme has recently been improved.It has yielded over £4 million so far in recurring savings over the last two years and the number of suggestions has increased by 38 per cent.3,500 suggestions are expected this year.

IMPROVEMENTS IN NHS MANAGEMENT

Since 1979 the Government has taken the following steps to improve management in the health service.

- In 1982 the structure of health authorities was simplified by the removal of two levels of management - Area and Sector.

- District Health Authorities were established generally serving smaller local populations.

- More responsibility was devolved to hospital and community services at unit level.

- Accountability has been strengthened with the introduction of annual reviews led by Ministers of performance against agreed objectives.

- The review cycle has been established for RHAs and DHAs : it is being extended to units this year.

- Family Practitioner Committees are to be made separately accountable.

- A range of statistical indicators of performance (covering clinical services, manpower and estate management) has been developed : in 1983, all health authorities were sent data on their own performance and that of other authorities.

- Work is under way to improve and extend the range of performance indicators.

- NHS management's need for information has been comprehensively reviewed and improved information systems will be introduced over the next few years.

- More effective monitoring of NHS manpower numbers has been introduced.

- The Rayner Scrutiny technique has been extended to the NHS with a programme of nine studies by NHS officers covering areas such as transport services, recruitment advertising, and staff accommodation : substantial possible savings have been identified.

- Health authorities have been required to test the cost effectiveness of laundry, catering and cleaning services by seeking competitive tenders.

- Health authorities have reviewed arrangements for the control of items in stock and in use, following the advice of the Health Service Supply Council.

- A value-for-money audit programme has been introduced.

- Health authorities have in 1984 submitted short-term planning programmes from which we expect higher productivity and manpower held steady overall and which contain cost improvement programmes worth in all nearly £100 million.

- The development of management budgets has begun with the start of several demonstration projects.

- The NHS Training Authority has been established.

- A study of the administration of FPCs has been undertaken by outside consultants.

- A study of the current flow of communications between the Department and health authorities is being led by a Regional Administrator.

- A study of the responsibilities of the Department in relation to the financial management of health authorities is being led by a Regional Treasurer.

- The Health Services Supervisory Board has been established to advise the Secretary of State on the objectives and direction of health services.

- The NHS Management Board is to be established within the Department as soon as its Chairman has been appointed; an NHS Management Group is already working in preparation for the NHS Management Board.

- Manpower in DHSS HQ has been reduced by 20 per cent since 1 April 1979 following a reduction in the central role.

Workload in DHSS Headquarters: Continuing Activity

At all levels, day in, day out, a great deal of the staff resources, in Headquarters particularly, have to be devoted to servicing Ministers, Parliament and the public. Thus in any one year the Department has to provide, on average:-

- the answers to 5,000 Parliamentary Questions;
- briefing and all other aspects of legislative work on 2/3 DHSS 'lead' bills and other bills on which there is a DHSS interest;
- responses to 30,000 letters from Members of both Houses of Parliament;
- responses to 85,000 letters from members of the public or from people or organisations acting on their behalf;
- advice and briefing for Ministers on 200 Cabinet and Cabinet Committee meetings, often following extensive interdepartmental consultations;
- briefs for Ministers on 100 deputations led by a Minister or a Lord;
- briefs and speeches for Ministers on 30 Adjournment Debates and 40 other Parliamentary debates;
- briefs for 70 Early Day Motions;
- briefs for 2,000 Ministerial meetings with officials and outside individuals or groups;
- briefing and/or speeches for Ministers on 200 official occasions such as visits, conferences/annual dinners;
- responses to 100 cases being investigated by the Parliamentary Commissioner for Administration (the average time spent on dealing with a case is 60 hours); the Department can also be asked to help on cases being investigated by the Health Service Commissioner; and the Permanent Secretaries are also required to give evidence to the Select Committee on the PCA on both PCA and HSC cases;
- evidence to be submitted for 15 Select Committee enquiries;
- briefs for senior officials and Ministers for appearances before 7 Select Committees;
- briefs on 11 topics for Public Accounts Committee meetings involving 22 appearances by senior officials;
- advice to Ministers on all aspects of the Department's work affecting the media (press conferences, major announcements and initiatives, 400 press statements);
- continual liaisons with the media on all DHSS matters;
- advice and guidance in innumerable cases at Headquarters in response to telephone requests from other statutory agencies, the public and a wide variety of organisations, despite the fact that there have been intensive efforts to delegate responsibility for clearing casework at the lowest possible levels.

Parliamentary business varies a great deal from session to session. 1983/84 has seen increased parliamentary interest in DHSS matters. For example almost 7,000 PQs had been answered and 40 adjournment debates taken place by the beginning of July (as against annual averages of 5,000 and 30 respectively).

ANNEX A

REGIONAL DIRECTORATE (Staffing : 194 administrative staff (HQ))

PART D: RESPONSIBILITIES

1. Managing the Regional Organisation

   - Setting operational goals and priorities in accordance with the principles of the FMI

   - Developing and directing an appropriate manpower strategy

   - Developing and planning the network and accommodation requirements of local offices

   - Ensuring the provision of adequate training for staff at all levels.

   - Developing and maintaining effective monitoring systems

   - Taking whatever steps are necessary to ensure that operational goals are met

2. Liaising with other HQ Divisions

   - Assessing the operational consequences of policy decisions

3. Devising procedures and instructions for the implementation of policies in accordance with agreed timetables

4. Reviewing operational systems and initiating improvements, including the introduction of new technology.

5. Advising and briefing Ministers on operational matters and providing support at meetings

6. Dealing with general enquiries, complaints, PCA cases, MPs letters, PQs etc.

7. Consulting and negotiating with the DTUS and handling industrial disputes in the Regional Organisation.

8. Providing technical and management training and specialised direction and support in relation to the prevention and detection of fraud and abuse in the Regional Organisation.

9. Day-to-day management and administration of HQ Division

ANNEX B

NHS PERSONNEL DIVISION 2 (Staffing : 99 administrative staff)

PART D: RESPONSIBILITIES

1. Advising Ministers on and implementing pay policies for the NHS.

2. Advising Ministers on and implementing personnel and industrial relations policies for the NHS.

3. Advising Ministers on and implementing policies for the improvement of the NHS Whitley system.

4. Servicing the Management Sides of the NHS Whitley Councils (and other negotiating groups) concerned with the pay and conditions of service of administrative and clerical, professional and technical, ambulance and manual staffs - about half a million staff with a total pay bill of £3 billion, together with conditions of service common to all - about one million NHS staff.

5. Representing the Secretary of State on the Management Sides of the negotiating bodies, assisting Management Sides to reach settlements that facilitate and do not impede Ministerial policies, and reporting to Ministers on the prospects and progress of negotiations.

6. Exercising the Secretary of State's statutory powers of approval of pay and conditions of service including variations from standard terms.

7. Personnel casework, including the devolution of this work to health authorities, PO cases and PQs.

8. Advising on the personnel aspects of Departmental policies affecting NHS staff.

9. The assessment of grants for students in a number of paramedical professions and the payment of grants to occupational therapy students.

10. Liaison with other Government Departments, statutory bodies and professional associations.

11. Management of staff. FMI/budgetary control etc.

ANNEX C

NHS PERSONNEL DIVISION 3, branches B and C (Staffing ~~:~~ ~~38~~ ~~ad~~ministrative staff)

PART D : RESPONSIBILITIES - P3B/C

1. General responsibility* for the provision and development of the General Ophthalmic Services.
2. General responsibility* for the provision and development of the Pharmaceutical Service.
3. Negotiations with professional bodies on:- a. the remuneration and terms of service of: i. optical practitioners; and ii. pharmaceutical practitioners. b. the reimbursement of contractors' supply costs: i. optical appliances; and ii. drugs.
4. Advice* to Ministers on: a. optical charges; and b. prescription charges.
5. Secretariat of the Rural Dispensing Committee*
6. Administration and budget control of the Prescription Pricing Authority*
7. Dissemination of policy guidance and information.
8. Ministerial briefing
9. Casework, including PQs and PO cases.
10. Staff management

*Entries relate to England only, though other Health Departments generally reflect policy in England.

ANNEX D

SOCIAL WORK SERVICE

PART D: RESPONSIBILITIES

(Staffing : 97 professional staff : one-third at HQ, two-thirds based in regional offices and relating to local authorities and voluntary bodies responsible for providing residential and community services for families, children, elderly, etc; + 77 administrative staff)

1. With other professional and administrative colleagues support for Ministers in the development, furtherance, and management of effective policies, including management of SWS and of directly administered services.

2. Definition and promotion of good standards of care and practice by means of inspection, advice, development work and consultation.

3. Liaison, advice and service to local authority, private and voluntary field organisations, LAAs and professional associations.

4. Professional advice to other government departments and international work.

ANNEX E

MEDICINES DIVISION (Staffing : 249 professional and administrative staff)

PART D : RESPONSIBILITIES

1. Licensing and related procedures in accordance with UK and EC legislation taking account of the needs of industry, OGDs and other interests, the monitoring of adverse reactions, review licences and certificates. Servicing statutory advisory bodies. Advising Ministers concerning appointments and on specific issues. To consider problems arising from the assessment of applications for new products.

2. To review, instruct solicitors and implement subordinate legislation in relation to legal status, advertising, labelling and packaging of medicinal products.

3. To act as inspection and enforcement authority in relation to the NHS and to UK and overseas commercial manufacturing and wholesaleing sites; to instruct solicitors in prosecution cases.

4. To represent and safeguard UK interests in respect of drug licensing in the WHO, CPMP, EC Pharmaceutical Committee and associated bodies.

5. To oversee and promote the preparation of standards of biological products by the NBSB; to exercise control over the centrally financed programme to re-develop the Board's laboratories.

6. To co-ordinate DHSS interests in the use of animals for tests and experimental purposes.

7. To liaise with and support the work of the BPC

ESTIMATED MD WORKLOAD		1982/83	1983/84
Applications for Product Licences		1150	1150*
Applications for Reviewed Licences		500	2000
Applications for Clinical Trials: Certificates and Exemptions		280	320
Product Licence Variations and Renewals		8000	8000
Manufacturers' Licences: granted and varied		200	200
Wholesale dealers' Licences: granted and varied		160	160
Export Certificates issued		12000	12000
Applications referred to Statutory Advisory Committees:			
	New products	250	280+
	Review	75	1000
Adverse Reactions notified		13000	14000

* May be significantly increased when parallel imports are brought within the licensing system.

\+ Would be increased by about 400 if contact lenses and surgical implants were brought within the licensing system.

ANNEX F

MEDICAL TOXIOLOGY AND ENVIRONMENTAL PROTECTION DIVISION

T D RESPONSIBILITIES

(Staffing : 9½ doctors, 18 scientific officers)

1. To advise Ministers, the Chief Medical Officer, other Departments (especially MAFF, DOE & DOT and, selectively HSE) about the effects on health of chemicals, other than drugs, and the effectiveness of control measures.

(a) by undertaking detailed assessments, including for DHSS advisory committees.

(b) by providing medical and scientific, secretariat services to the committees' (listed below);

(c) by casework on PQs and Ministers' correspondence;

(d) by membership of committees in other Departments etc;

(e) by advising on the commissioning and conduct of research by Departments and other organisations (including the DHSS supported Toxicology Unit at St Bartholomew's).

(f) by provision of an information service (data bank);

2. To answer inquiries on effects of chemicals, selectively, from health, local and water authorities, and others, and to advise press office on response to media enquiries.

3. To participate in selected international programmes in this field. (WHO, EEC, Council of Europe, ECE, OECD, ISO; with special attention to the WHO/ILO/UNEP International Programme on Chemical Safety.)

4. To work towards the development of more satisfactory techniques and criteria for the assessment of hazard and risk from chemicals and the effectiveness of control measures.

5. To operate an inspectorate to ensure that toxicological testing for regulatory purposes performed in UK laboratories is conducted in accordance with the principles of Good Laboratory Practice (GLP) and hence that the data are valid for safety assessments.

6. To encourage the adequate development in the UK of facilities for toxicological training leading to formal qualifications and of facilities for such toxicological work as is needed but cannot be required of industry; especially by the establishment and funding of a Toxicology Unit at St Bartholomew's.

7. To develop the organisation of the division and its facilities, so as to enhance its cost effectiveness and the scientific quality of its work, and to develop the arrangements for commissioning research.

8. To develop a programme for the training of the Division's staff, in conjunction with the Bart's unit and other organisations; on the part of staff, to attend formal courses and to undertake self-teaching and informal updating on developments in toxicology.

9. To secure effective working relationships with related national and international organisations.