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DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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From the Permanent Secretary

Sir Kenneth Stowe GCB CVO

24. September.

Dear Nigel.

It occurs to me that the P.M. might be interested to see, in her briefing for her dinner with RHA Chairman the attached copies of the first two issues of the NHS Management Board's bulletin for all NHS general managers.

The need for a vehicle like this emerged very clearly in the 1982 NHS dispute. I have had to go a very long way round to get it. And we only have it now thanks to Len Peach: he is the architect and designer. It is

easy to under-rate his personality
so it might be helpful to see some
evidence of how he operated.

Yours ever.

Ken.

The Hospital
and
Community Health Services

Some facts about performance

The Hospital and Community Health Services

Better Services

Figure 1: NHS hospital activities. (1974-1985)

Figure 2: Increases in priority acute treatments. (1974-1985)

Figure 3: In-patient waiting lists. (1973-1986)

Figure 4: Perinatal deaths per 1000 live births. (1974-1984)

Figure 5: Hospital services for mentally ill and mentally handicapped people. (1976-1985)

Improving Management and Efficiency

Figure 6: Hospital and Community Health Service spending. (1974-75 to 1986-87)

Figure 7: HCHS Cash releasing cost-improvements. (1980-81 to 1986-87)

Figure 8: HCHS Cost improvement programme. (1986-87) Cash releasing element.

Figure 9: Acute hospital services. (1974-1985)

Personnel and Manpower

Figure 10: Hospital and Community Health Service manpower 1974-1985.

Figure 11: Pay settlements and earnings in the NHS and the rest of the economy.

Capital and the Estate

Figure 12: NHS Capital spending (England) - Purchasing power at 1986-87 prices.

Figure 13: Health Authorities building performance.

Figure 14: Annual number of schemes in excess of £2m completed. (1980-85)

Medical Equipment

Figure 15: Estimated world market for medical equipment - by area.

Figure 16: UK Trade in medical equipment. (1976-85)

Better Services

Fig.1
NHS Hospital Activities 1974-1985(England)

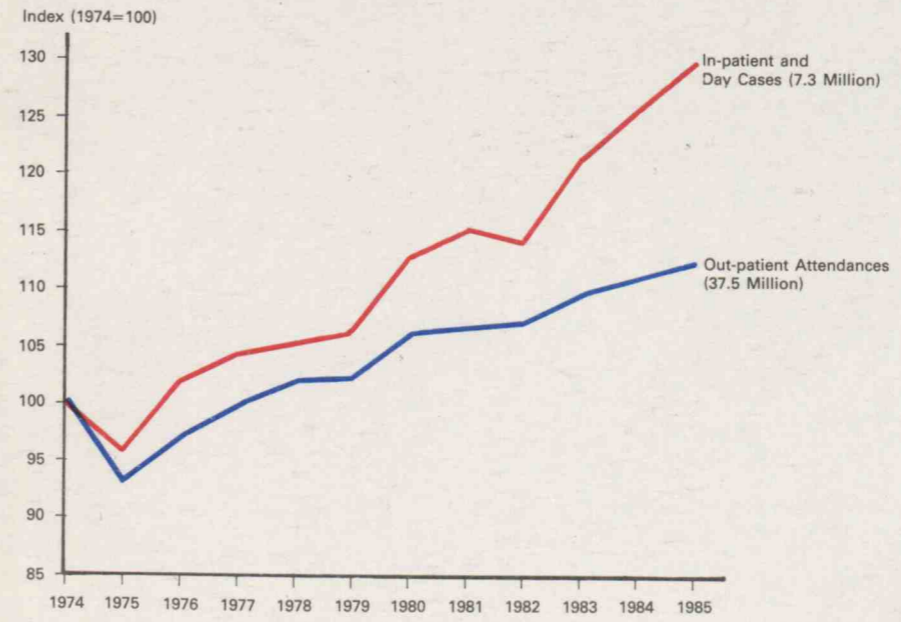
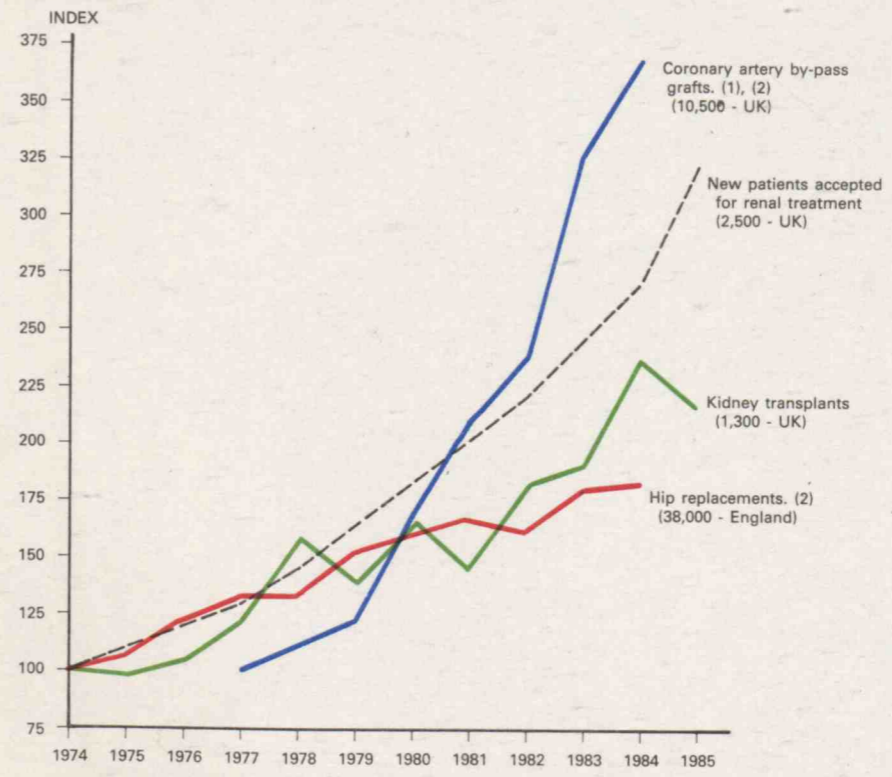


Fig.2
Increases in Priority Acute Treatments (1974 - 1985)



(1) Figures for years before 1977 not available. (2) Figures not yet available for 1985.

Fig. 3
In-patient Waiting Lists - England 1973 - 1986
 (March 1986 Figure Provisional)

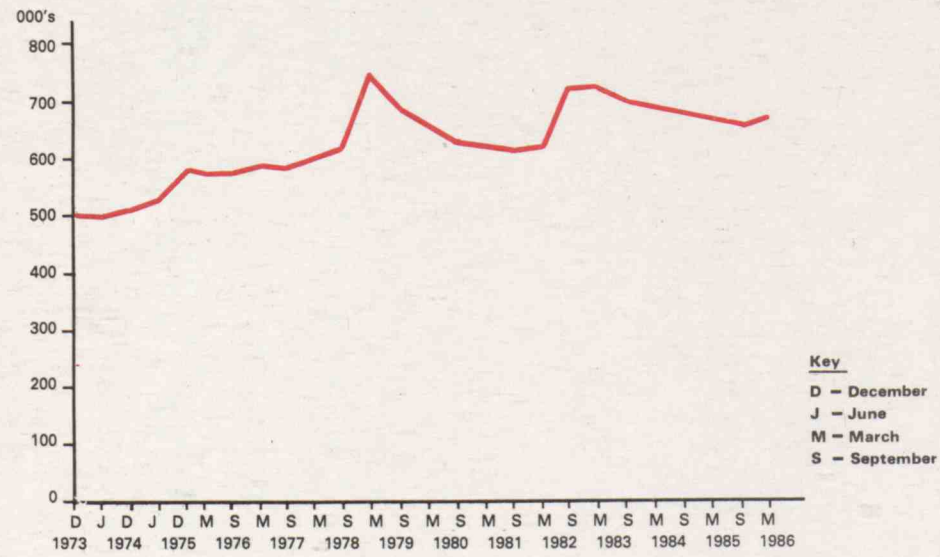


Fig. 4
Perinatal Deaths per 1000 Live Births - England 1974 - 1984

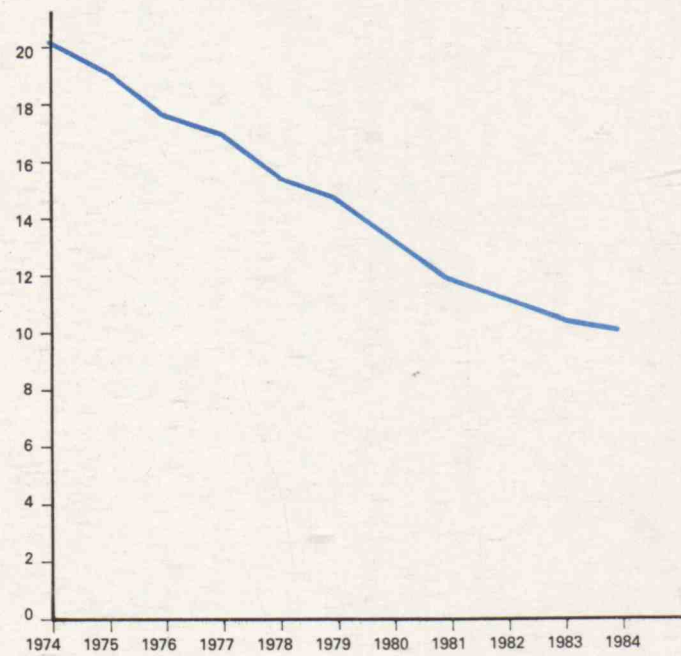
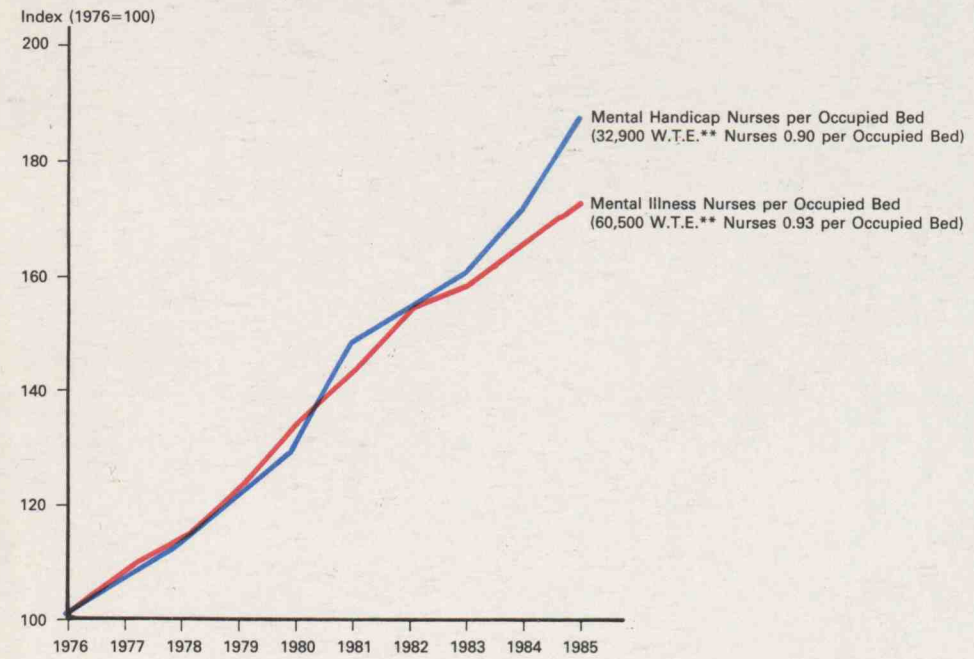


Fig. 5
Hospital Services for Mentally ill and Mentally Handicapped People 1976 - 1985 England
 * Figures for earlier Years Not Available
 ** W.T.E. = Whole Time Equivalents



Improving Management and Efficiency

Fig.6

Hospital & Community Health Service Spending
(England) 1974 - 75 to 1986 - 87

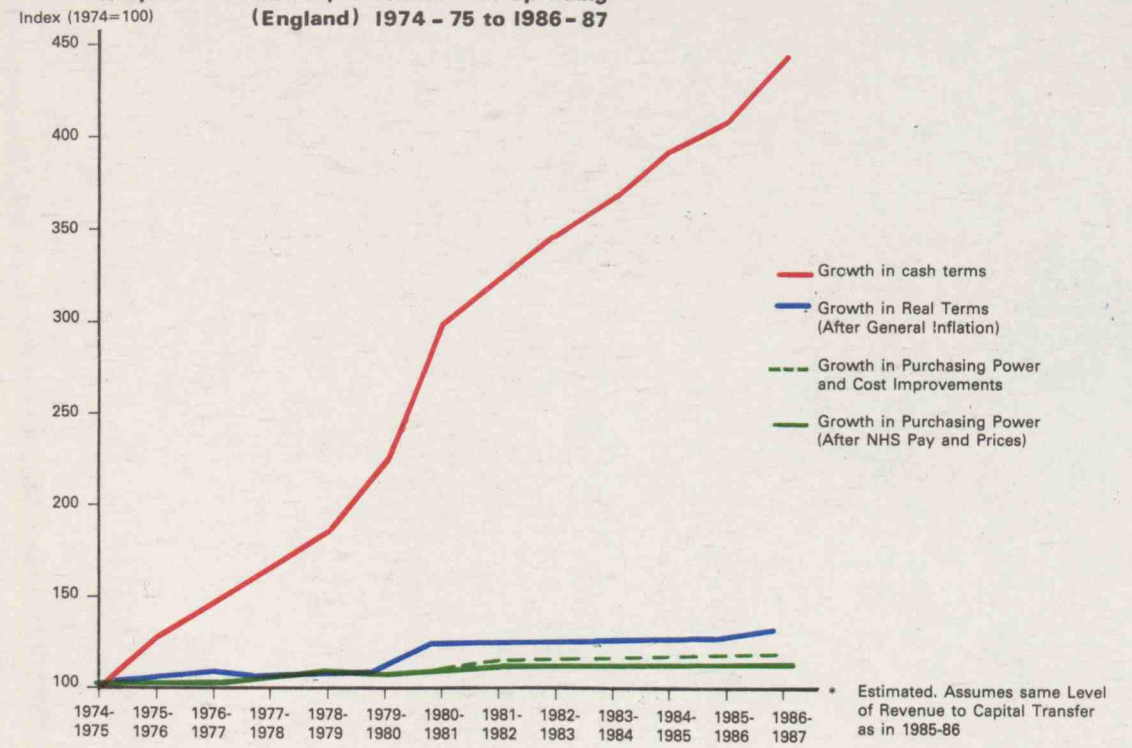


Fig.7

HCHS Cash Releasing Cost Improvements 1980-81 to 1986-87

Percentage of HCHS Revenue Expenditure

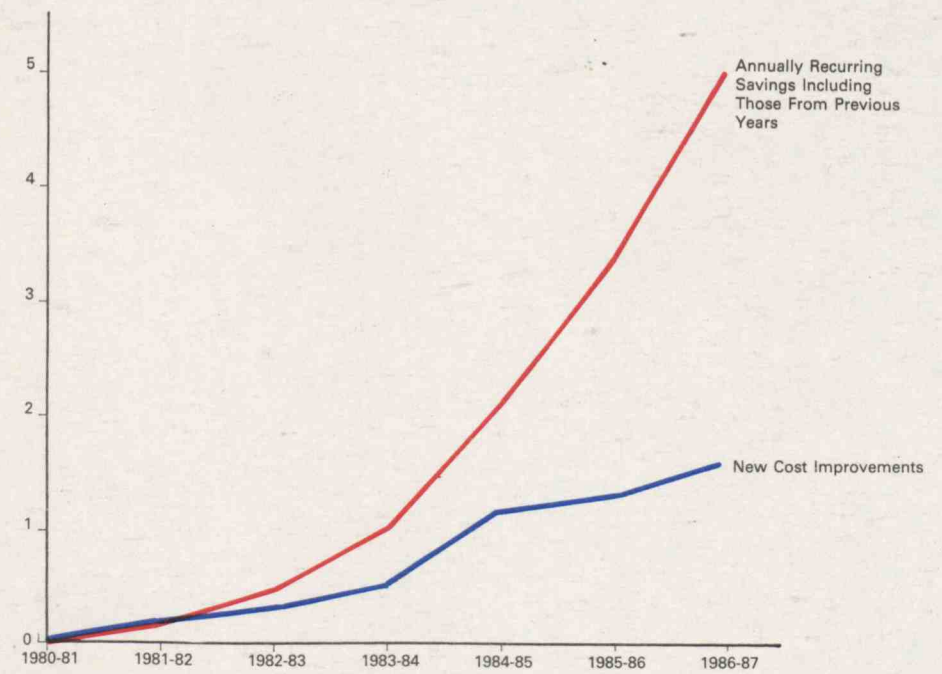
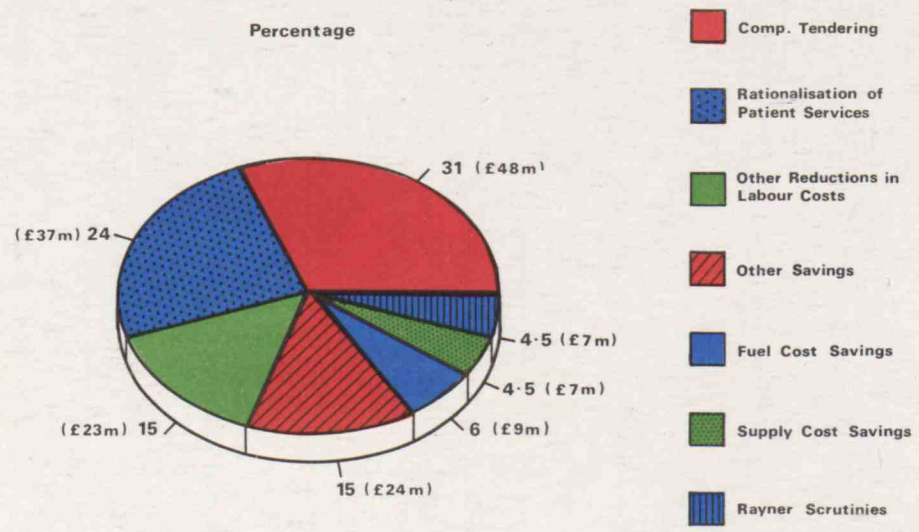


Fig. 8
HCHS Cost Improvement Programme 1986-87
Cash releasing element



Personnel and Manpower

Fig. 9
Acute Hospital Services - 1974 - 1985 England
(1985 Figures Provisional)

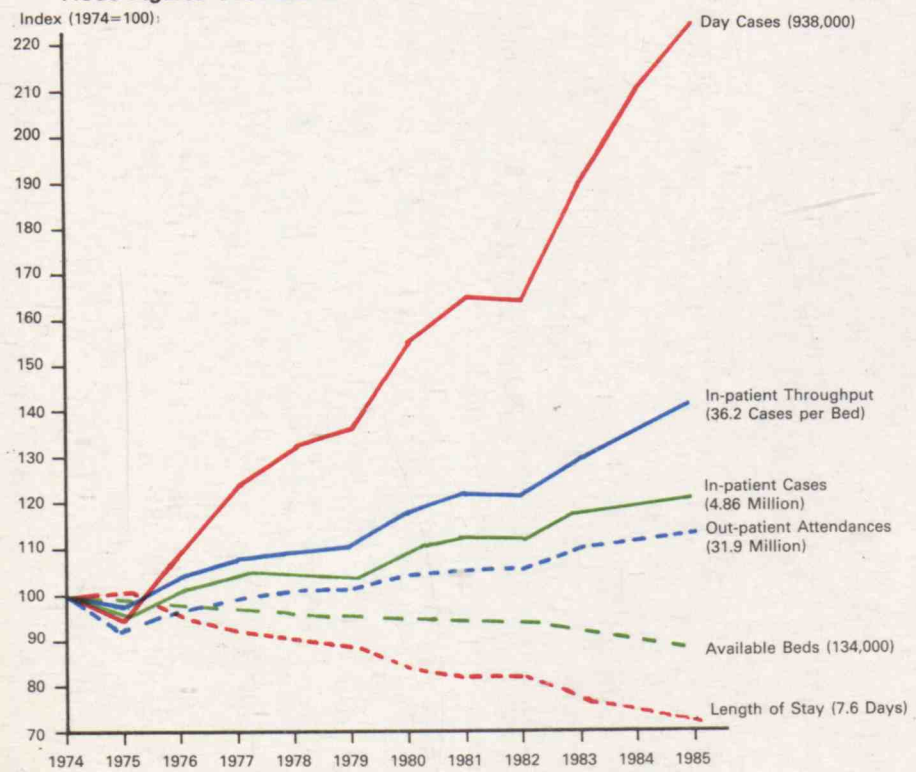


Fig.10
Hospital & Community Health Service: Manpower. 1974-1985

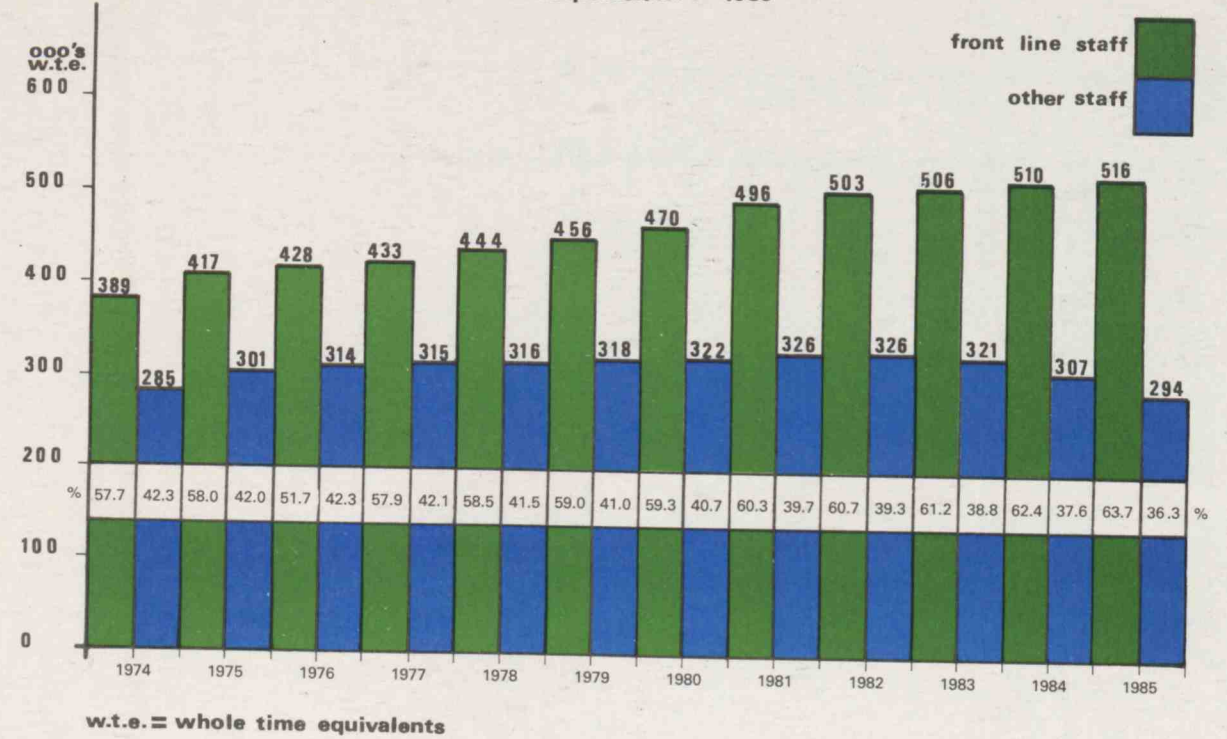


Fig.11

Pay Settlements And Earnings In The N.H.S. And The Rest Of The Economy

NHS and SECTORAL PAY SETTLEMENTS: Cumulative % increases

	Financial years 1978/79 to 1985/86	Financial years 1980/81 to 1985/86	1986/87 settlement (latest figures*)
NHS:			
DDR B	131.8	40.3	7.6
N&M	110.8	39.0	7.8
Whitley	81.3	29.8	6.0
Public Sector: (services)	84.7(1)	34.4	6.75*
Private Sector:	95.1(1)	37.8	5.75*
Whole Economy:	91.6(1)	36.5	6.25*
RPI(2)	87.2	39.0	2.4

Notes

- (1) Figures not available for 1978-79. An estimate of 20% increase in the financial year 1979/80 was used, to reflect Clegg awards.
- (2) Based on financial year averages, latest estimate for 1986-87.

NHS and SECTORAL EARNINGS (1): Cumulative % increases

	April 1979 to April 1985 (Includes Clegg awards)	April 1981 to April 1985 (Excludes Clegg awards)
NHS:		
DDR B	-	-
N&M	98.1	30.7
Whitley (2)	77.6	26.0
Public Sector: (services)	93.4	30.7
Private Sector:	93.7	43.5
Whole Economy:	91.9	37.7
RPI(3)	76.8	31.3

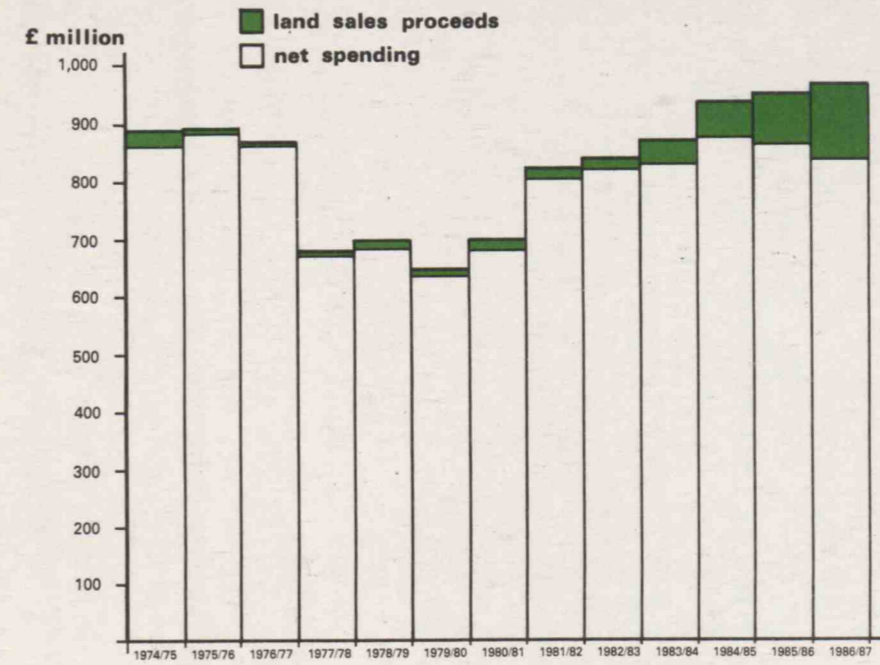
Notes

- (1) Department of Employment "New Earnings Survey".
- (2) Figures available only for Administrative, Clerical, Ambulance and Ancillary Staff (over 75% of Whitley Staff).
- (3) Based on financial year averages.

Capital and the Estate

Fig. 12

N.H.S. CAPITAL SPENDING (England) - Purchasing Power at 1986-87 Prices



+ Assuming revenue to capital transfer of £42m in 1986-87 (at a similar level to transfer in 1985-86).

Fig. 13

Health Authorities' Building Performance¹

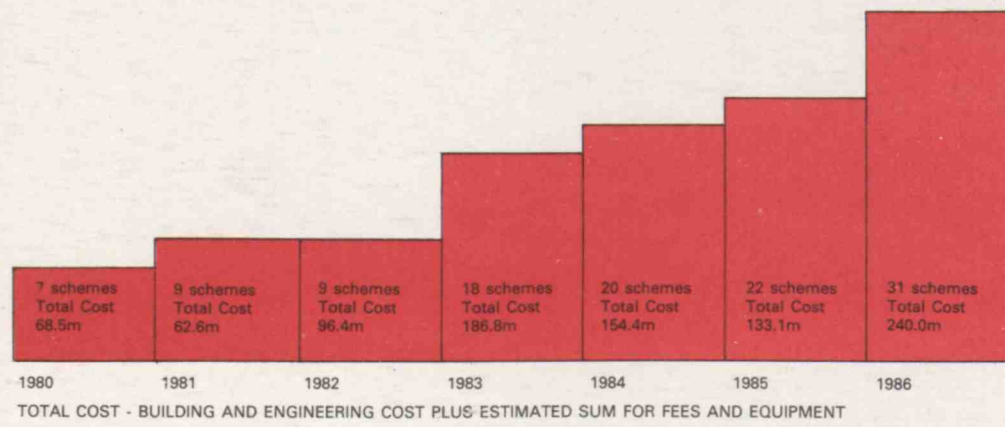
	1977-79	1980 to date
Average cost overrun	11.6%	1.7% ²
Average time overrun	29.7%	4.2% ³

1. Based on samples of major (over £5million) completed schemes

2. Equivalent to average cost overrun of £100,000.

3. Equivalent to average time overrun of six weeks

Fig 14
Annual number of schemes in excess of £2M completed 1980-85
Plus estimated for 1986
ENGLAND



Medical Equipment

Fig. 15

ESTIMATED WORLD MARKET FOR MEDICAL EQUIPMENT, BY AREA

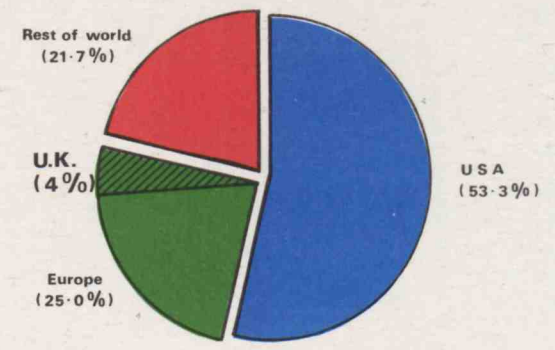


Fig. 16

U.K. Trade in Medical Equipment 1976 - 1985

