BODY POLITIC **Nigel Hawkes**

Why the NHS needs management consultants

To become commissioners, GPs will need all the help they can get from whatever source

Consultants in the NHS come in two flavours. Both are well rewarded; but while hospital consultants are more or less immune from criticism, management consultants get it in the neck from every point of the compass. If you are looking for easy applause, denounce the money wasted on management consultants.

That's exactly what England's health secretary, Andrew Lansley, did recently, declaring that he was "staggered" by the amount the NHS had spent on consultancy services in 2009-10. Given his background as a former deputy director general of the British Chambers of Commerce (1987-90), he seems easily staggered, if he really means us to take this remark seriously. He must, after all, have some idea what private companies spend on consultancy services—which include, in the definition used, lawyers, surveyors, engineers, architects, human resources advisers, and marketing and communications experts, as well as management consultants.

The NHS bill for these services in 2009-10 was £313 891 000 (€392 970 000; $487 000 000), "new figures reveal," as the press release from Mr Lansley's office (not the Department of Health's media centre) puts it.

However, £314m is plenty of money, which the release helpfully calculates is equivalent to almost 10 000 nurses. (It's actually equivalent to just the salaries of 10 000 nurses, because employing them costs a lot more, what with pension obligations, National Insurance contributions, and other costs.) But is it really staggering? It's less than a third of 1% of the total NHS budget. That's a very small fraction and about a 10th of what the private sector spends per employee on management consultants.

Since entering office the coalition government has been spraying figures like these around with abandon, which gives Jil Matheson, the national statistician, some anxious moments. We now know, for example, that she intervened before the Cabinet Office published a head count of civil servants and advisers used by government and non-governmental bodies. The Office for National Statistics already produces a fully validated count, so she objected, unavailingly, against the publication by Francis Maude, the Cabinet Office minister, of a count that was carried out far less professionally and that even he admitted was "a bit rough and ready." He later defended the right of ministers to publish management information of this sort to make a political point, bypassing the Code of Conduct on Official Statistics.

So it is in this spirit that we must approach Mr Lansley's little list: as a leaf from Mr Maude's handbook of political shock tactics. (It notes that "further validation of the figures is being carried out by the Department of Health," to save the in-house statistician's blushes.) There are, I have to confess, a few figures in it that even I found staggering, and my stagger threshold is a lot higher than Mr Lansley's. How on earth, for example, did Camden primary care trust in London contrive to spend £12.2m, or £51 per head of population served, on consultancy services? London is by far the best place to win these big contracts: Islington primary care trust spent £5m, Tower Hamlets £8.7m, and Westminster chipped in with £8.4m. Outside London, fine supporting performances were put in by South West Essex (£5.3m), Hampshire (£3.2m), Leicestershire County and Rutland (£2.9m), Medway (£3.6m), Northamptonshire Teaching (£3.3m), and West Sussex (£3.8m).

It's easy but facile to say this money is wasted. Some of it undoubtedly is, as management consultants are past masters at saying the obvious, expensively. But not all. This financial year a series of freedom of information requests by the *Health Service Journal* suggests that primary care trusts have turned the tap off very abruptly.

Whether this is actually a good thing is, however, arguable. Mr Lansley wants fresh ideas and new initiatives, not battening down the hatches and preserving the money for existing salaries and services. He hopes to provide more cash by cutting management costs by 46% over the next four years. But what this may mean is that managers who need help no longer have enough money to buy it in but quite enough to continue paying themselves to do the job poorly. It would be better if they were no longer employed at all, but can anyone put their hand on their heart and swear that this shake-out will displace only the incompetent? It would be a first for the NHS if it did.

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More importantly, Mr Lansley is imposing on general practitioners the task of commissioning care, in which they will need all the help they can get from whatever source. Asking the unqualified to do a difficult job, while denying them access to the tools they need to do it, could easily amount to political suicide. The need for accountancy and back office services, contract advice, commissioning expertise, and a range of other "consultancy" functions is going to expand, not contract, under the health secretary's plans. It will be most needed in the early days, but he plans to put a cap on management spending by the general practice commissioning consortiums.

If things go wrong general practitioners will be a lot harder to scapegoat than managers. Who will be there to put things right if managers have gone—the best to be re-employed by the private sector—and private sector consultants are treated as parasites? My bet would be that in a few years' time we will hear Mr Lansley (or his successor) lauding the benefits that outside expertise can bring to struggling organisations. Consultancy is not dead: it is merely resting.

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