VIEWS AND REVIEWS

ACUTE PERSPECTIVE

David Oliver: Awkward questions about NHS management consultancy

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In 2014 I sent a freedom of information request to the Department of Health that was potentially awkward for the government. It was about NHS spending on management consultancy.¹ Despite the NHS efficiency drive and a 2010 ministerial pledge to reduce these costs by 45%, yearly spending on consultants doubled in 2010-14 from £313m to £640m.² This made the national press,^{3 4} but the health and care sector hasn't got over its addiction to consultancy.

A King's Fund report on sustainability and transformation plans (STPs) describes a perception among health service leaders that the plans have created an "industry for management consultants," where local leaders feel pressured by central bodies to employ consultants.⁵ Jacques Peretti's BBC documentary *Who's Spending Britain's Billions*,⁶ which aired in October 2016, discovered endemic involvement of consultancy firms in local authority and NHS projects—often ones going well over budget or failing to deliver promised benefits and lacking any subsequent accountability. Contracts were far from transparent, hiding from scrutiny behind commercial sensitivity.

If consultants' work adds real value to NHS services, shouldn't we be grateful? Alan Leaman, chief executive of the Management Consultancies Association, certainly thinks so. In response to my finding, he said, "The NHS spends 0.3% of its budget on management consultancy, and the vast majority of this goes on projects that save the NHS money and improve patient care. On average, for every £1 spent on management consultancy, benefits worth the equivalent of £6 are returned to the client."⁷

Notwithstanding his organisation's clear commercial conflict of interest, it's hard to contest or confirm Leaman's assertion, as it lacks rigorous, peer reviewable, transparent data. As Margaret McCartney has argued, our political and NHS leaders tend to eschew such academic approaches, which acknowledge uncertainties, rest on objective independent evidence, and don't give formulaic answers.⁸

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You won't find many NHS organisations evaluating the quality or impact of consultancy advice—why would they risk submitting to it? Why would those who spend our money on consultants' advice risk being held to account in this way? Reviews of NHS spending and efficiency by parliamentary health committees, the National Audit Office, and even no-stone-unturned reports on NHS efficiencies, such as the Carter review,⁹ have focused too little on NHS spending on management consultants.

Given that national NHS regulators have placed large contracts with big consultancy firms,¹⁰ often for local work implementing health "reforms," and that some of those same consultants have been promoted to advisory and management roles throughout government bodies,^{11 12} and given the unseemly revolving door in ministerial and civil service roles,¹³⁻¹⁶ this lack of scrutiny doesn't surprise me.

As the NHS drowns in debt and demand, consultancy remains remarkably buoyant. It's in the public interest for us all to ask some more awkward questions.

Competing interests: See www.bmj.com/about-bmj/freelance-contributors/david-oliver.

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