Good morning everyone and a very warm welcome to our third annual conference. I’m not sure if the minister has joined us yet. Mike has been a good friend to MiP so far and, as he looks out at us today, I'm sure the last thing on his mind will be how many of us he can ‘slash and burn’.

As you know, Mike has said he will name and shame managers who ‘slash and burn’. But it's confusing, because other influential voices are threatening dire consequences if we don't start planning for radical savings immediately! Maybe today Mike will offer some practical ideas on how we can tell the difference? Nevertheless, Mike is fronting up on a live issue in the service today, not just in England, but in Scotland, Wales and Northern Ireland too. And it’s an issue that lies at the heart of my speech.

I've a clear message for you. The NHS will not save £20 billion in the next three or four years without the knowledge, skills and experience of managers. I fully accept that this is not something that many politicians, or the media, or the public want to hear. But I strongly believe that the case must be made to all of them, now – and in the coming months, before the next general election.

Without managers we will not succeed. Because managers matter.

Managers see the big picture. They look after the whole system, and they help other staff see the big picture too. They are a positive resource for the future of the NHS. Here are some things we learnt this year from our survey of over 500 managers. Even with tough times ahead, managers' morale is high. They are fully committed to the NHS. Most of them have worked in the NHS for ten or more years. And if they aren’t due to retire, most of them see themselves working for the NHS in three years’ time.
Managers enjoy their jobs and generally feel valued by their own managers and teams. Nearly every manager would recommend a career in the health service to friends or family.

Of course, there are downsides. A significant minority of managers don’t feel this way. Management still doesn’t reflect the diversity of health staff. Half the managers we surveyed feel they don’t get the training they need.

But overall, the mood amongst them is upbeat. They are just the kind of people you’d want on your side in a tight corner.

Managers are often the first to accept that some of us are doing the wrong jobs in the wrong places. This capacity for self-criticism and disinterested action is one of the main reasons I’m proud to represent NHS managers.

So let’s drop the euphemistic attacks on bureaucracy. Let’s talk instead about real people with real families and bills, doing real jobs with real skill. If we do need fewer managers in a particular area, we must deal with people fairly and treat them with dignity. And we must make every effort to keep hold of valuable skills and experience. We don’t want to lose them forever or find ourselves having to buy them back later. So it's important that we do everything we can to keep our people.

I’m not saying that back office jobs will be less vulnerable, or even that they shouldn’t be less vulnerable. Indeed, if you work in HR, finance or payroll you should probably start saying your prayers. Our very own Polly Toynbee recently endorsed CBI proposals for back office hubs.

But we must be more sophisticated about how we define front line services. We might decide to prioritise clinical staff. – But it’s no use pretending that getting rid of non-clinical staff won’t carry a price for safety, effectiveness and the patient experience.
Bed bookers matter, porters matter, service managers matter.

Let’s not lose them without examining carefully what people like this do for patients and for clinical colleagues. Many people will be genuinely surprised by just how much non-clinical staff contribute on the frontline.

What I say next might look as though it's aimed at politicians, and it is. But the principles I'm going to talk about are just as relevant within the NHS and within individual organisations.

Managers need evidence – not ideology and prejudice. This applies to trade unions and professional organisations as much as it does to government. Most managers believe the NHS can deliver most of the time. But they favour a more pragmatic approach on the issue of different providers. They don’t oppose or push against the evidence. When it comes to centrally-driven re-organisations, just leave be. Despite all the assurances to the contrary, I’m sure policy wonks are even now inching towards the conclusion that what the NHS needs is just one more top down re-organisation. Top-down re-organisations never deliver, so please, please, don’t embark on yet another. No system is perfect, but the solution is to let local organisations merge and re-organise at their own pace to meet the needs of their local people.

What about trust and support? Politicians should trust managers and their colleagues to deliver on the ground. Sure, there will be some service-wide changes that need pulling together at the top. But the really big changes will take place service by service, team by team.

Productivity in hospitals finally improved by two per cent this year. But hardly anyone noticed – yet this has been a battleground issue for the last five years! We can deliver. But we must be trusted to do it. Give us more responsibility and we'll repay that trust.

Support managers too. Don’t scorn us in public, while at the same time offering us encouragement in private.
If politicians talk about cutting bureaucracy, we’ll support them, by all means. As long as – in the next breath – they talk about the role of lean, high-quality management in the delivery of safe, effective and dignified healthcare. It’s simple. If politicians help us to build management capacity and skills, we’ll support them even more.

What about freedom? Give people time. They’ll need it to avoid slash and burn. Reduce the number of targets. Reduce the number of new measures. Sort out regulatory burdens. Make sure any changes you introduce are based on sound evidence and risk assessment. Emphasize local accountability. Don’t intervene unless it’s essential – and don't just redefine 'essential' to suit yourself. Keep out when you don’t need to be involved.

And finally, never forget that freedom is a state of mind. You free people by accentuating the positive. As one colleague put it in our recent survey, the message to all leaders must be: “Cheer everyone up and stop the moaning”.

So managers need three things, if they're going to do a good job. They need evidence, they need trust, and they need freedom. Surely, not too much to ask for?

How we are going to deliver this massive shift in resources?

Well, we agree with Mike O’Brien. There must be no slash and burn. This is absolutely critical. Cuts to training budgets, blanket recruitment freezes, abandoning sensible plans, are never more than short term fixes. We mustn't revisit the solutions to the 2006 financial crisis. And let me be absolutely clear – we are an organisation that believes we need to balance the books, and work with a surplus.

But this is not about cuts. Any fool with a calculator, a hard heart and a rainy afternoon can make cuts. We must do something much more difficult and challenging. Something that needs more time, more creativity, and more skill. We need to make much more difficult choices about how to re-organise services. How to undertake a massive shift of resources. How to innovate. And how to replace what we did before.
Then there’s our partnership with staff and patients. I don’t think it’s going too far to say that without partnership we will fail completely. Because we can’t steamroller through change. It’s about choices and new services. About helping huge numbers of people avoid hospital admission. It’s about re-designing services, innovating with new services, and closing down old services.

This is so radical, it’s easy to see how plans can go wrong. Already I hear the language of cuts from many of my trade union colleagues. Already I can see some managers and medics squaring up for the traditional fight in tough times. If staff and patients are not on board, they’ll shout loudly about cuts to the public, and to everyone they know. And if this happens, it’ll be a disaster for the NHS. The risks are huge. And would our service survive the resulting loss of confidence? I’m not sure.

But the rewards are greater. We already have a vastly better service, which is again being copied and studied around the world. And we can be even better. But the only way – absolutely the only way – to achieve this success is to work in partnership with staff, patients, service users, carers, trade unions, local authorities and the care sector. With change on this scale, partnership-working is the only game in town.

And what about quality? Quality is the banner around which all staff can gather and unite. Take one issue – albeit a huge one. Chris Beasley, chief nursing officer, said last week that we could save £7.3 billion by preventing malnutrition and dehydration in hospitals and care homes. What a staggering figure! But even more, what a shocking assessment of neglect? Just think what a fantastic achievement this will be. Not only will we overturn a huge area of neglect, bringing safety, dignity, and effective care to people. But we will also save massive amounts of money. This can’t be delivered from on high. It will take local initiative and commitment, and partnership working on a huge scale. Above all, it will require excellent management.

Every single health worker should see quality as the purpose of their job.
If they don’t, we probably don’t need their job. Safe, effective care and good patient experience can unite us all. It’s not the preserve of clinicians.

I’d like to make this final point with a story about a friend of mine who works for the Inland Revenue. He rakes in millions in company tax. Early on in his career he got tired of people pulling faces when he told them what he did. So he thought long and hard about what was the point of his job. The next time someone asked him what he did – he said “I build hospitals”.

I feel this way too. No-one has the monopoly of care in our service. So whatever your management role, next time someone asks you what you do, proudly tell them: “I care for people”.

Thank you.