LETTER FROM WESTMINSTER

Government condemned by its own statistics

PHILIP JOHNSTON

Labour hearts were a-flutter with excitement last week when the party's chief spokesman on health, Michael Meacher, unearthed what he claimed to be categorical proof of government cuts in hospital spending last year. Even better for the opposition, the information was provided by no less an authority than Barney Hayhoe, the Minister for Health.

In a Commons written answer, so Byzantine in complexity that it escaped virtually everybody's notice, he revealed that in 1985-6 the government gave hospitals 0.4% less in cash than they needed to keep pace with inflation. The government's position throughout the recent political argy bargy over NHS funding has been clearly and repeatedly set out by the Prime Minister: total expenditure has increased in real terms by 24.2% since 1979. But this masks a rise in prices in the NHS above the general rate of inflation. Health authorities have to finance pay awards in excess of the retail price index and also need extra resources for research, for growth, and to cover the increasing numbers of elderly people.

Mr Hayhoe disclosed that in 1985-6 a growth of 5.2% in services was required to respond to demographic changes. During this period an extra 16.5% in real terms was allocated to the NHS, of which 10.3% funded pay and price increases and 5.6% was available for services. But a table appended to the written answer appeared to fly in the face of government claims; it showed that expenditure on hospital and community health services in 1985-6 fell by 0.4%. This compared with real growth of between 0.3% and 11% in the preceding five years and estimated real growth of 3.8% in the current financial year.

It was enough for Mr Meacher to fire off a broadside at the Department of Health and Social Security with the relish of a prosecuting counsel latching on to a gaffe by a leading defence witness. "The Tory lie has finally been nailed—by its own minister," he declared. The admission had been given with "unaccustomed frankness" by the government, and Mr Meacher contended that a careful examination of the figures showed that the true position for health authorities trying to maintain existing services was even worse.

"The general level of inflation does not take into account the extra costs that the government itself considers health authorities have to bear," he said. Apart from the pay awards and the extra costs of demographic changes, the government's own estimates showed that the cost of health service technology outstripped inflation by 0.5% a year.

Mr Meacher explained: "The government takes all this NHS inflation into account when it allocates spending budgets to the health regions. But when the minister applied his own formula for NHS inflation . . . it is apparent that in five of the seven years of Tory rule Mrs Thatcher failed to give enough cash to cover the cost of NHS inflation."

Last year, for instance, the health authorities received 1.2% less than they needed to keep existing services going. According to Mr Meacher, relying on figures provided by the House of Commons statistical section, this meant a shortfall nationwide of £250m last year and £566m since 1979. The government, he insisted, "has been

condemned by its own statistics." He added with undisguised glee: "No longer can Mrs Thatcher perpetrate the lie that she is the caring protector of our National Health Service. For years the experience of doctors, nurses, health administrators, and patients alike has contradicted her bland assurances that health spending is growing. Now her own minister is telling her she got it wrong."

Over to you, Mr Hayhoe.

Alternative therapies again

Interest has been growing at Westminster in the so called "alternative medicines" or natural therapies, inspired not least by the BMA's own work on the subject and a series of discussions held by the Royal Society of Medicine.

In the House of Lords recently the splendidly titled Viscount Massereene and Ferrard urged the government to consider giving mandatory grants to students wishing to study courses such as osteopathy. He also called on ministers to abolish VAT payments by patients of qualified complementary practitioners.

Despite government recognition of public interest in and awareness of alternative medicines, he was to be disappointed on both counts. The Earl of Swinton, speaking for the government, said that there were too many varied natural therapy courses, most of which were not at degree level, to consider designating them for grants. Anyway, he said, "it has been necessary for economic reasons to impose a moratorium on new designations." An application to designate osteopathy as a degree course that would qualify for mandatory grants has already been turned down.

There was no sign either of movement from the government on the question of exemption from VAT. Another exotically named peer, Lord Brabazon of Tara, gave a stock ministerial reply: "Exemption from VAT has applied since the introduction of the tax to supplies by persons who are registered or enrolled on any of the statutory medical registers. This provides a clear borderline which is understood by all concerned and generally accepted as reasonable."

Lord Massereene and Ferrard, however, suggested that over 2000 qualified medical practitioners in the therapies could be registered under the auspices of the BMA. This, he added, would allow a removal of VAT, which "is a tax on the freedom of choice for medical attention on those patients who prefer to have therapeutic treatment." The viscount's pleas found strong support on all sides of the house, with Labour spokesman and former Social Services Secretary Lord Ennals insisting that it was high time the government took a new look at the whole question of the way practitioners of alternatives medicines are treated.

Lord Cullen of Ashbourne even hinted that the government may be falling foul of European Community rules, which state that tax should not be paid on the provision of medical or paramedical services. He added: "It is high time that the General Council for Registered Osteopaths, which has been in existence for nearly 40 years, is recognised as an actively professional body whose practitioners are practising the medical art."

But he would say that. The House of Lords is brimming with experts and leading authorities on as many different subjects as you would care to think of, and Lord Cullen is no exception. He is the chairman of the Osteopathic Educational Foundation.

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