Foundation trusts fear that PCTs will renege on payments

Lynn Eaton *London*

Many UK foundation hospitals are budgeting for a deficit, some of more than £1m (€1.5m; \$1.9m), to cover costs that primary care trusts (PCTs) may not be willing to pay for, despite the services being provided under a legally binding contract.

That's one of the main messages to emerge from the latest report by Monitor, the government body set up to oversee the finances and governance of established foundation trusts—hospitals in the NHS but which have quasi-independent status and can make more decisions outside of central government control.

"It is a matter of serious concern to Monitor that NHS foundation trusts consider it necessary to make such provisions," says Monitor in its report on preliminary results to the year

ended 31 March 2006. "It suggests that NHS foundation trusts believe that the primary care trusts are not willing to pay in full for work which has been carried out in accordance with legally binding contracts." It describes this as "an unnecessarily prudent accounting approach."

The report looks at the 32 foundation trusts that existed in 2005-6. Nine of them reported significant concerns about whether their primary care trust will make payment for work done, says Monitor. This has led to an overall bad debt of £28m.

Some of this could be because of the foundation trust carrying out operations that were not costed in the original contract, a spokesman for Monitor explained. In nine foundation trusts, the deficit was estimated to be more than £1m.

He admitted that one of the issues may be a failure to notify PCTs of the trust's levels of activities, leading to overprovision. Whereas this routinely happens in traditional hospital trusts, foundation trusts are operating as independent organisations and have to aim to balance their books, in the same way an organisation would in the private sector, he said.

"You have to ask whether this was legitimate work to be carried out," he said. "Ultimately it could go to court," he added, but said it was unlikely it would reach this stage.

Sue Slipman, director of the Foundation Trust Network, which represents foundation hospitals, said the problem was that "a number of PCTs are not acting as grown-up people."

"Foundation trusts' performance is extremely good," she said. "Many have turned themselves around. The big problem we've got is the bad debt as a result of PCTs not paying their bills. There are some areas where there has been a disagree-

ment over level of activity, but in some cases PCTs won't pay [for services they have contracted to purchase] and won't go through the disputes procedure either. Some PCTs are clearly in deficit, but they shouldn't be contracting for this level of activity [if they are in deficit]," she said.

Monitor's report goes on to criticise the trusts for failing to build adequate surpluses. These, it says, are "essential for any organisation to be successful" and are the best route to "generate the cash they need to fund investments in maintaining or upgrading their assets."

Some foundation trusts have managed to build surpluses. Heading the list are Heart of England (£5.4m); Chesterfield (£3.9m); Cambridge (£3.6m); Stockport (£3.5m), and Frimley Park (£3.5m).

But at the other extreme is University College London Hospitals with a massive £35.9m deficit. PH

The report is available at www.monitor-nhsft.gov.uk.

World Cup attacked for failing to ban smoking

Katy Duke *Berlin*

Organisers of this year's World Cup have come under fire for backing down on an apparent pledge to ban smoking at the event, which starts this week in Germany.

Smoking was banned in the stadiums at the last World Cup in Japan and South Korea, and is expected to be similarly banned at the 2010 tournament in South Africa. But the German organising committee for this year's competition, including the German government and the football governing body FIFA (Fédération Internationale de Football Association) have decided not to impose the ban this time round.

The World Health Professions Alliance has now sent an open letter to FIFA and has reminded them of a memorandum of cooperation signed by the World Health Organization and FIFA before the 2002 World

Cup. It stated that "tobacco and sports do not mix and that tobacco in any form must be removed from all football events associated with FIFA."

The German World Cup organising committee in Germany was unavailable for official comment on the issue when contacted by the *BMJ*, but one member did admit that the issue of a smoking ban was regarded with more ambivalence in Germany than it was in other European countries.

Although smoking related illnesses cost Germany almost \$15bn (£8bn; €12bn) a year, Germany has faced criticism in the past for opposing an international ban on tobacco advertisements, and there is still no sign of anti-smoking legislation similar to that being passed in other countries.

The only sop to the anti-smoking lobby during the tournament will be the broadcasting of a message on video screens and public announcement systems in stadiums, saying "No smoking, please." But critics say that the voluntary message will do nothing to get people to stop smoking.

Marta Seoane, a spokeswoman for WHO's antismoking campaign, said, "We know that

voluntary tobacco control agreements don't work.

"Smoking and tobacco bans have to be introduced to reduce consumption. The point is to protect public health—the health of viewers in the stadiums and that of people, adults and children, who follow the games on television."

Sinead Jones, director of the International Union Against Cancer's global smoke-free partnership, said, "The whole thing is

really inconsistent. They are saying to fans, 'Don't smoke,' but on the other hand there will be absolutely no enforcement there."

The World Cup has the biggest global television audience of any sports competition, with billions of people around the world tuning into the month of matches.

But the country has relatively liberal legislation on smoking compared with other European Union countries. PH

Fans will be allowed to smoke in the Berlin stadium (above), where the tournament's final takes place, despite an agreement between WHO and FIFA which says that "tobacco and sports do not mix"