Letter from Westminster

NHS a happy hunting ground for Public Accounts Committee

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The financial accountability in the NHS, which Mr Fowler is trying to do something about, has been a happy hunting ground for the Commons Public Accounts Committee (PAC) over the years. When the Commons debated the reports by the PAC over the last two sessions last week it was, therefore, to be expected that the 17th report, *Financial Accountability in the NHS*, which had some harsh things to say, featured largely in the discussions. Mr Peter Hordern, Conservative MP for Horsham and Crawley, a member of the PAC, said that its central criticism of the DHSS was that because of its policy of decentralisation the department had judged it none of its business to ascertain what the regions were doing, still less what the districts might be doing and who they might be recruiting.

"The result has been that health policy has not been worked out from the centre," he said. "There has, as far as I can see, never been any health strategy as such. Policy has been determined by blocks of money which have been allocated to the regions from time to time, and which they have been told to spend as they think fit. We can judge only by the results—it is not up to us to criticise the policy—but we have noticed that in the NHS by far the largest growth in expenditure within personnel has been in the number of administrators, technicians, secretaries, and clerks of one kind or another." The judgment must be, he declared, that the running of the NHS was bad, and it was high time that it was improved.

The PAC's chairman, Mr Joel Barnett, Labour MP for Heywood and Royton, a former Treasury minister, questioned whether reliance on cash limits to control the Service was wise, pointing out that there was a danger that this might seriously distort the sizes of the medical and non-medical staffs and create an imbalance between them. He also criticised the way administrative staff had increased and insisted that whatever the Government decided should be spent had to be spent efficiently and properly controlled. To that end, he believes that there should be more detailed controls and targets for administrative and clerical staff, rather than a reliance on cash limits. It is precisely for this reason that Mr Fowler is introducing the new system of annual reviews by ministers and regions that is intended to allow decision making to remain devolved, while ensuring that strategy is laid down centrally.

Review Body's report

The report of the Doctors' and Dentists' Review Body arrived in No 10 Downing Street a couple of weeks ago, but it has still to be looked at by ministers before going before the Cabinet for a

final decision on its contents. That being so, it is impossible to forecast what the eventual decision will be—except that there will be no phasing of whatever is proposed because the Government recognises that that just stores up trouble for the future as well as setting a bad precedent for their claims. From the hints being dropped, however, it looks as if doctors could expect similar treatment to the nurses, who have been offered 6.4% rather than 4% in recognition of their special skills. There certainly seems to be a little flexibility around over doctors' pay, though doctors can expect to be told that like other NHS workers they enjoy certain advantages—a degree of job security not enjoyed by many at the mercy of the market place, for example.

Ministers will also point out that they have found extra resources for the NHS, and that it is not a Service in decline with staff being cut like, for instance, the Civil Service. But the message generally on money is still that there is no more available than what is already on offer. Mr Kenneth Clarke, the Health Minister, made it clear enough in a speech last week in London in which he said that there was a limit to the extent to which the Government, with its record of higher spending on health, could spend more and more taxpayers' money on the NHS when that money had to be found by people whose own pay had been pegged and by industry that had not yet recovered from recession.

Minister's philosophy

Mr Norman Fowler, Secretary of State for Social Services, in the first of a series of speeches in which he intends to set out his philosophy as a minister, said last week that if more money was to go on pay the Government had two options. Firstly, services to patients could be reduced to find it, and that was unacceptable. Secondly, the Government could make extra money available, through borrowing, printing it, or higher taxes, and doing that would put its economic and industrial objectives in peril, which it was not prepared to do.

So why suggest that there is a suggestion of thaw in the atmosphere? Well, ministers seem convinced that the decision they eventually take will not actually provoke the DDRB into resigning in protest at being ignored yet again—and that clearly suggests that a compromise is being sought. More than the nurses get would seem to be out of the question, but about the same might be possible.

While on the subject of cash and the NHS, it now looks as if little more will be heard of alternative financing. The report of the DHSS study group commissioned by the previous incumbents has now reached Mr Fowler's in-tray. The next stop could well be his wastepaper basket. Certainly there are no plans to publish it, one reason being allegedly that it is really a set of alternatives for ministerial consumption rather than a clear document in the style of a Green or White Paper.