LETTER FROM WESTMINSTER

No blank cheques from Mr Moore

JOHN WARDEN

They looked set on a collision course and collide they did. The government and the Social Services Select Committee met head on going in opposite directions on health service funding. A demand by the committee for £1 billion was rejected as being equivalent to asking for a blank cheque.

Cool memos between committee chairman Frank Field and the Secretary of State for Social Services, John Moore, are being exchanged as I write, but with little hope of a meeting of minds. If this is to be their relationship for the rest of the parliament it could be an interesting time.

The 11 strong select committee, with a Labour chairman but a Conservative majority, shadows the Department of Health and Social Security. Its members include a doctor on the Labour side and a former health authority chairman among the Conservatives. Nor are the others in any way novices in the politics of health. They set out to assess if the well aired problems of the hospital service were genuine. They heard evidence from health administrators, academics, and the presidents of the medical royal colleges, of which highlights have found their way into the last five postings of this letter.

Predictably, the committee found that there were "grounds for serious concern" about how hospitals would cope in the coming financial year. They saw less urgency about the long term issues than the current media and political frenzy suggested. In their view the NHS needed a "limited injection of new money" to hold the line while a long range review reached into the future, perhaps beyond this parliament.

That judgment is certainly consistent with the evidence, and it was always apparent that the committee was prepared to meet the witnesses half way, which is what they did. Their proposed £1 billion subvention is just about half the £1.9 billion they identified as the cumulative shortfall in NHS hospital funding over the past six years, based on the government's target of 2% annual growth. The MPs wanted the Exchequer to pay it back over the next two years.

They had not long to wait for an answer. Within hours Mr Moore accused the committee of wanting to throw an "arbitrary £1 billion" at the health service. "We do not think it is sensible simply to write blank cheques," Mr Moore added.

Select committees are accustomed to cavalier treatment from governments, to whom they are like grit in the eye. Their cross party consensus is seldom strong enough to support a showdown so they back off. Is this case any different? More than is usual, both sides have put their credibility at risk.

For the committee, it is the risk that it will not be taken seriously in future. It is one thing for outside pressure groups to demand upwards of £1 billion, but an in house select committee with a Tory majority is expected to know better. Otherwise it presents a sitting target to be shot at, as Mr Moore duly did. A new minister and a new committee might have wished for a happier start together, but their first face to face encounter on 23 March should be a sell out.

Mr Moore's credibility will be on the line if things get worse for the NHS. The committee was not as innocent as it might seem. Part of its strategy was to give Mr Moore a weapon to use against the Treasury, where it sees Mr John Major, the chief secretary (and a former DHSS minister), emerging as the man to beat when it comes to seeking more funds for the NHS. Instead, Mr Moore chose on his own initiative to dismiss the committee's recommendation. Time

will tell whether the stick he refused to use against the Treasury will turn into a rod for his own back.

On one thing, however, the minister and MPs can agree. This is where they call for urgent improvements in measuring the effectiveness of the NHS. Mr Moore is doing just that, and we can expect to hear a lot more in future about his enthusiasm for performance indicators. He wants attention to focus less on the input of funds to the NHS and more on the output of improved health. That was his theme at the BMA council dinner with the idea for a "health index" (p 803).

Performance indicators look like being a sharper political tool. They can be used to compare performance—one district with another, one hospital with another, and eventually one consultant with another. The DHSS now has some 450 indicators at its disposal, though the Körner series developed more recently will not be in use for another year.

Meanwhile, Mr Moore intends to make the most of what he has got. He is about to issue performance indicators in reader friendly form for MPs, showing apparently wide variations in local outputs. Why is it that patients treated per surgical bed vary between 25 and 53 a year? Why are some districts treating 15% fewer patients than might be expected while others are treating 27% more? Why does the cost of similar operations vary between £400 and £1200?

This is the other side of the blank cheque argument. The pressure will be applied on regions and districts to identify and correct the variations that show up on the performance indicators. To a large extent, of course, it is public relations. The new information this month will still relate only to 1986. All that the ministers can really do is to try to shame the worst offenders into trying to do better.

Underuse of theatres

The technique was applied by the DHSS itself last week when it came under scrutiny by the Commons Public Accounts Committee for the underuse of NHS operating theatres. A report by the watchdog National Audit Office had suggested that only 50% to 60% of available theatre time was used. The reply of the DHSS was that efficiency had improved in the interim since the report.

Labour MPs on the committee were out to prove that theatres stood empty because consultants were away doing operations in the private sector. They were not prepared to believe that absence from the operating table could be explained by teaching duties, research, examinations, or anything else. Mr Len Peach, NHS chief executive, was accused of not being perfectly frank. He replied that with the improved information in the next 12 months it would be possible to check on who was correct.

Clearly performance indicators will intrude on clinical matters, and the government fully intends that they should do so. Mr Peach admitted that expenditure on the NHS was substantially determined by the way consultants work. And Mr Moore said recently that the way in which doctors and professional staff managed and used resources was "absolutely central" to obtaining the maximum possible value for money.

So in the absence of blank cheques doctors can expect to be in the front line of Mr Moore's next efficiency blitz. But he is unlikely to put himself on a collision course with the consultants, especially if he listens to the advice of Mr Peach, who said: "Good quality management can persuade people to change. Given time we can conduct our relationship with the medical profession so that we shall have a great deal of cooperation."