LETTER FROM WESTMINSTER

Parliament's two way pull on the NHS

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Crisis? What crisis? The politicians' winter of discontent over the state of the National Health Service has given way to the summer of satisfaction. What a difference a week (or two) makes. The change was apparent when the Minister for Health, Tony Newton, gave evidence to the social services select committee last week in its continuing inquiry into resourcing the NHS.

However bleak things may look from the wards, they certainly seem much improved at Westminster. The troubles of the NHS have gone off the boil and as a political issue its importance rating has fallen in the opinion polls. Parliament is spared the harrowing tales of misery from the wards and waiting lists.

It was the nurses' pay settlement that did it. As the select committee's Labour chairman, Frank Field, commented the nurses' award got the crisis off the government's back. As a result Mr Newton was almost unchallenged in his upbeat testimony about how well the NHS was doing.

He estimated, for example, that on this year's budgets health authorities would have well over £250m available for the expansion of services. "The overall pattern is very much one of continued development and expansion, though I cannot say it will be absolutely even all over the country," Mr Newton said. He acknowledged that some of the expansion would be financed by "planned closures" designed to release resources for elsewhere.

So has anything been learnt from the political traumas of the past six months? True, the Treasury did find another £750m for the pay awards but the basic argument about underfunding remained unresolved between the government and its critics. Mr Newton disputed assertions that the consequences of underfunding were carried forward from one year to the next. It was not so. Each year, he said, the government made a judgment about what was required to resource the NHS—and that took account of everything that had happened in the previous year, including the effect of pay awards.

Nor could the minister agree that cuts had been forced on health authorities because of underfunding from the centre. It was just possible that the difficulties occurred as a result of failure to plan with sufficient flexibility and foresight. Somewhat wearily he went on: "There is a relentless tendency to presume that any problem that arises is because the government has not made enough money available, rather than that the use of the money has not been properly planned."

Last winter the government did produce another £100m of emergency funding from its back pocket, but Mr Newton cautioned health managers not to expect it to happen again. The idea of keeping something in the back pocket might be attractive, he said, but if people knew that there was £100m or £200m there they would plan on that basis. Moreover, Mr Newton distanced himself from the figure of 2% growth which his predecessor, Sir Barney Hayhoe, had laid down as the requirement to meet rising demands on the NHS. Ever since, 2% growth in real terms had been the benchmark for measuring NHS funding. No longer. According to Mr Newton it merely related to what was required at a particular point to meet pressure which varied from time to time.

Mr Newton, of course, is also chairman of the NHS Management Board, which he described as the driving force of the changes which had resulted from the introduction of general management throughout the NHS. "The infusion of a new approach at every level," he called it. The scale of its impact was summarised by the

board's finance director, Ian Mills. He estimated that but for the efficiency savings achieved in the past four years the NHS would have needed an extra £900m to sustain its present level of activity. Over the next four years savings would avoid the government having to put in an additional £4000m. In this dialogue, however, one man's saving is another man's shortfall.

None the less, ever new targets were being identified. The board was now looking for savings in the way that nurses were used, in the efficiency of operating theatres, the best use of buildings, and the latest ideas of income generation. But was there a limit to how long the savings could continue?

Mr Newton agreed that the techniques of the past four years could not be expected to go on producing economies at the same rate, but he warmed to the prospect of the efficiency drive moving into new areas—such as the better use of clinical resources. Hence the importance of the "resource management initiative" which was being tested at seven sites to give clinicians information about their costings. The first results would come through this summer to be gathered into a report in the autumn along with guidance to health authorities on how to apply the lessons learnt. The new system of clinical management should be ready by 1990.

What about the review?

But would not all these plans come to a halt with the Prime Minister's review of the NHS? In no way, said Mr Newton and added: "Whatever outcome you postulate from the review, it will need to build on these steps that have already been taken and are being actively pursued by the management board."

So the outlook was much the same as it was, with the emphasis on saving money—though Mr Newton took strong exception to any suggestion that this came before saving lives. The objective of all the activity, he declared, was to devote services to patients—and that was being done on a growing scale.

The social services committee was still smarting from the frosty reception its first report received from the Secretary of State, John Moore, who likened its demand for £1 billion to asking for a blank cheque. Another aspect of the parliamentary process, however, was demonstrated by the public accounts committee. This committee regards itself as the taxpayer's friend, averse to blank cheques.

Soon the public accounts committee will turn its attention to the report by the National Audit Office on the efficiency of the family practitioner services (p 1744). Here Mr Newton, or rather his top officials, will have to sing a slightly different tune. They stand accused of being less than cost effective in the supervision of family practitioner committees.

This is the fifth audit report on a health topic in the space of a year. They are like unflattering snapshots. This one shows that family practitioner committees do not monitor deputising services efficiently, that 14% of practice premises are unsatisfactory (40% in city centres), and that not enough is being done to encourage the use of ancillary staff.

The procedure is that the Department of Health and Social Security pleads guilty to the shortcomings. It is called before the public accounts committee to give an account of what is being done to remedy them, under pain of an adverse report to parliament. The process is meant to concentrate minds. This case is particularly illuminating about the formation of policy. The new DHSS policy is to increase funding for practice premises and ancillary staff. This meets the auditors' criticisms. Making the funds subject to cash limits pleases the Treasury minded public accounts committee.