

HEALTH EMERGENCY

No 28,
Autumn 1991

Bulletin of
Hands Off Our NHS

New NHS reforms: designed by fanatics, shaped by accountants, run by mercenaries ...

This is market madness!



Andrew Wiard

By John Lister

SIX MONTHS of the government's unpopular NHS reforms have reduced our health service to a shambles.

- Orthopaedic patients imported from Exeter jump growing waiting list queues of local people needing treatment in Riverside's hospitals.

- Consultants at St Mary's Hospital are told to wait four days for authorisation from clerical staff before promising non-emergency patients they can have the treatment they need: the delay is to check that their health authority is willing and able to pay the bill.

Refusal to pay

- Managers in Bloomsbury and Islington DHA complain that "an increasing number of purchasers [i.e. other health authorities] are refusing to pay invoices, usually for unauthorised treatment." Yet they also reveal that in July over 50% of elective cases "were treated without prior authorisation".

- Guy's Hospital's specialist child heart surgery unit has already run through its entire contract income for local patients. This means that any local kids needing operations will have to wait until next

THE DOCTOR WILL COME ROUND TO GIVE YOU AN ESTIMATE



April, while the work of the department now hangs on finding patients from elsewhere whose health authorities will pay up.

- Meanwhile more health authorities admit that their slender funds for financing residents treated in other districts outside normal contracts (Extra Contractual Referrals) are almost exhausted inside six months. Some DHAs have received less bills than they expected - suggesting big problems in invoicing: others complain of receiving far less income than planned.

- Almost everywhere the numbers of patients treated under 'block' contracts are wildly different from projections - often averaging 10-20%

above the level budgeted. Nobody knows who will pick up the bill for the difference.

- A handful of opted-out budget-holding GPs hold major hospitals to ransom, threatening to send patients elsewhere unless they get queue-jumping 'fast-track' treatment. Nobody explains how this could work when more GPs become fund-holders:

not everyone can jump the queue at once.

- As first-wave opted out hospitals wrestle with predictable financial crises - announcing cutbacks, redundancies and desperate economy measures - a second wave of over 100 applicants presents their documents, many of them complete with deliberate omissions, fiddled figures and hopes of wafer-thin surpluses.

Pay-off

- The new 'business methods' include the £200,000 plus BMW pay-off deal to ousted Guy's Finance Director Peter Burroughs, the man who warned early on of the scale of the cash crisis. Still in post is £90,000 plus two cars Chief

Executive Peter Griffiths, the man who ignored the warnings, then announced cuts of £6.8m, and now seems headed towards a deficit of up to £7.5m.

As the winter looms, with its increased strain on the NHS, the full scope of the financial and organisational disaster already unleashed by the internal market will begin to become apparent.

Worse to come

But there is worse to come next April, when the second wave Trusts are launched, and when health authorities outside London should be freed from any compulsion to send patients to London hospitals.

Ministerial advisors have warned that the consequence of this could be haphazard cutbacks which axe 2,000 beds and at least one teaching hospital: nobody yet knows for sure which one!

None of this need have happened. The NHS reforms - which everyone except government ministers has condemned from the very beginning - were a half-baked attempt to evade the central issue of inadequate cash for the NHS. Instead, by diverting resources into pointless new tiers of bureaucracy, they have made the problem worse.

Waiting list firm is first casualty

AMID all the talk of business methods, the first NHS bankruptcy from market forces has been the privatised waiting list consultancy firm Qa Business Services.

Qa took over after the team of advisors headed by John Yates who had helped allocate extra government cash to reduce waiting lists in selected areas walked out in protest at government policies.

Ministers then called in Qa, which had been formed by a management buy-out by computer staff from the West Midlands Regional Health Authority.

Now, with reported debts of £700,000 and contracts unfulfilled, a third of Qa's 190 employees have already been sacked, while the government's waiting list policies lie in tatters.

The dual message is plain enough: more money can always reduce waiting lists; and privatised firms can go belly-up at the most embarrassing moments, leaving the NHS high and dry.

INSIDE: ● Community care in chaos ● Trusts in cash crisis

London's last women's hospital under the axe

SAVE THE EGA!



The Elizabeth Garrett Anderson Hospital (EGA), London's last remaining specialist hospital for women, is facing a new fight for survival. And health workers have already staged one protest strike to defend it.

Management want to close Aldrich Blake Ward, with the loss of 11 nurses and support staff – to save just £60,000 by April.

This new cutback would reduce the hospital to just 28 in-patient beds and 8 day care beds, and restrict the numbers of women who can choose the special type of care offered by a women's hospital.

Now some managers in Bloomsbury and Islington health authority are keen to close the EGA altogether, and sell off its prime site near Euston station.

The threat is not new: for over 15 years the EGA has been fighting for its life against repeated closure threats. For over three years from 1975 the hospital was 'occupied' by staff who with tremendous support from local trade unions and the community kept it open and

The hospital was saved and upgraded, and despite recent cuts which forced the introduction of some male doctors, it still offers a very special type of care and support for women all over London and elsewhere.

Management admit that the EGA is an early casualty of the government's unpopular NHS reforms, which have deterred doctors from referring women to hospitals outside their local districts. And asset-stripping local health chiefs are moving in for the kill.

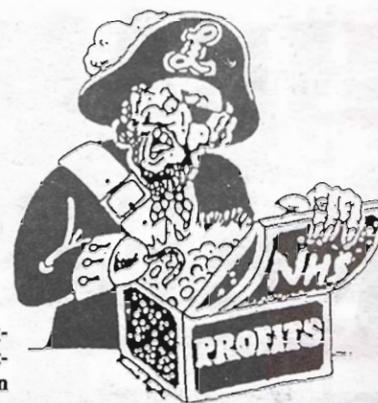
They were defeated in the 1970s, and they can be defeated now. Already staff at the EGA are taking the lead, taking strike action to fight these cuts: but they need YOUR support in building a broad campaign to save the EGA, and beat back these cuts.



treating patients in the first long-running hospital 'work-in'.

This successful fight made the EGA a household name among those defending the NHS against cuts and closures, and in the women's movement.

Fighting the contract firms



SIGNS are emerging of a long-awaited fightback against profit-seeking private contract firms in hospitals.

Solid strike action by COHSE domestics employed by contractors RCO at the Maudsley Hospital in South London produced a series of significant concessions from management on pay and conditions.

This is believed to have been the first pay strike by contract staff, and could point the way for other hospitals where staff have been organised by health unions.

Sacked

In South Wales, too, there has been a fightback, begun when domestic staff employed by contractors HCS at Cardiff's Ely Hospital refused to start work until one of their supervisors – sacked for complaining at having to work an un-scheduled 14-hour shift – had been reinstated.

This was followed by a successful ballot for strike action by over 350 nursing staff, complaining at the appalling standards and inadequate staffing levels delivered by HCS at the start of the contract.

The threat of industrial action, and the likelihood that it could spread to other hospitals covered by the firm led to a rapid climbdown by HCS management, who have now brought in extra staff and provided the cleaning materials which were lacking when they started up.

Bosses duck legal COSHH

ONLY 15 percent of health authorities which replied to a Society of Radiographers' survey are complying with health and safety legislation covering hazardous substances.

More than a year after they were obliged by law to assess the health risks of chemicals used in X-ray film processing, 85% of NHS managers had failed to do so.

The Society's research has shown that large numbers of X-ray staff are suffering serious health problems associated with the fumes produced when film is processed.

Only 5% of X-ray departments in the survey (which had a 60% response rate) had equipment to control the fumes at source, while a third of departments had no ventilation system at all.

The maximum legal penalty is a £2,000 fine.

Don't fall victim to market madness!



Join the resistance!

COHSE LONDON'S HEALTH CARE UNION

KEVIN O'BRIEN
Regional Chair

PETE MARSHALL
Regional Secretary

Charges for the childless

BART'S Hospital has introduced a £350-a-time charge for fertility treatment now that charitable and research money has run out.

The external funds helped disguise the absence of an NHS service for infertile couples, and now the Bart's unit says it must charge for each treatment in order to keep its specialist unit open.

If, as is likely, the patients' own health authority refuses to pay the £350 fee, then they will face the choice of paying themselves or going without.

Similar facilities at the opted-out Royal Free Hospital are also under threat following the departure of the hospital's Professor of Obstetrics and Gynaecology who had succeeded in securing private research money to

finance free treatment for 150 NHS patients a year. His resignation, to take up a better-resourced post in Cardiff arises partly from frustration at the lack of NHS funding. It is now unlikely that the service will continue at the Royal Free.

The all-party Commons Social Services Committee heard in July that the NHS has no national policy on infertility treatment, which is funded in only two centres. It is up to each DHA to decide whether or not it will finance treatment for its residents.

In this way we can expect a bizarre form of natural selection to take effect; with treatment going only to wealthy would-be parents, who knows? The offspring could be born with golden test-tubes in their mouths.

Family planning DHAs try the withdrawal method

Attendances at family planning clinics in the SE Thames Region have fallen by 40%, while half its districts have closed clinics, according to a new RHA survey.

The disappearance of this 'cinderella' service – one of the most common targets for spending cuts as health authorities follow their usual pattern of prioritising acute services while running down community services and preventive care – is a London-wide problem.

According to the Family Planning Association half of all London health authorities have made significant cuts in clinics.

While falling short on the prevention of unwanted pregnancies, more health authorities are also failing to provide adequate abortion services.

Less than half the DHAs in England and Wales are meeting a Royal Commission target that they should provide 75% of all local abortions.

None of the DHAs in South West Thames Region hit the target.

Just six months after opting out...

Trusts in cash crisis

By JOHN LISTER

EIGHT of London's 13 first-wave Trusts given the go-ahead to opt out in April are already in financial difficulties, with others still doing their sums. And across the country more and more Trusts are coming belatedly to terms with the consequences of their own over-optimistic projections.

Staff are bearing the brunt of cuts as management seek to cover up their own incompetent bids by hacking back on spending.

The Central Manchester Trust has revealed losses of £1.25m for the first three months of the financial year, resulting in a series of cutbacks including a freeze on all posts and a ban on using agency or bank nursing staff, cutbacks in nurse training, and redundancy for 20 nurses from the crisis-hit private wing at Manchester Royal Infirmary, where bed occupancy is as low as 25%.

Overspend

As warned by London Health Emergency, the Bradford Hospitals Trust was an early pace-setter in cuts, seeking to redress a 6% overspend by a £7m package of economies over three years including at least 300 jobs to go.

Leeds General Infirmary is looking to cut its costs by a massive 10% to balance its books after another hopelessly over-optimistic opt-out bid.

The Royal Liverpool hospital is facing £800,000 cuts.

In Bristol, the opted out General Hospital announced it was making £600,000 cuts in May.

Oxford's Nuffield Orthopaedic Centre has been hit by a £200,000 cut in the Oxford DHA's spending on orthopaedics, and has taken the gamble of opening up 15 extra beds in the hope they can be filled with patients from other districts.

The prime basket case – and most likely candidate for bankruptcy – appears to be Guy's.

Its massive £6.8m cuts package announced in April included the axing of 600 jobs and 19 beds, while another £6m of cuts yet to be announced will include closing 10% of its clinical specialities.

Not enough

But it is already clear that these cuts are not enough to balance the books: according to the latest figures in the *Health Service Journal*, overspending had reached 'between £1m and £1.5m' in the first four months, while income from Extra Contractual Referrals was drastically down: invoices have

Central Middlesex Hospital admits it is already at least £500,000 in the red and 'reviewing' staff numbers as it seeks to balance the books.

The Royal National Orthopaedic Hospital is also £500,000 overspent on a much smaller budget, and is also looking at ways of reducing staff numbers.

The North Middlesex Hospital admits to facing a deficit of at least £1.5 million, and is seeking staff reductions: 12 clinical nurse managers are among the heads to roll as management pass the buck for their incompetent financial forecasts.

At the Royal London Hospital, Whitechapel, management claim that there are no plans yet for redundancies, but they are seeking to cut patient flow by 3% and to close the Mile End casualty unit as they wrestle with a shortfall of at least £1.5 million.

The Royal Free Hospital in Hampstead is also reportedly struggling to redress a £1.5 million shortfall.

In West London, Mount Vernon Hospital is engaged in 'general belt tightening' to combat a deficit of at least £200,000. Nearby Hillingdon Hospital will not disclose the size of its deficit, but claims that it is not planning any 'large scale job losses' yet. However early figures show that the Trust is treating an average 13% more patients than it budgeted for under its block contracts – and this must create financial problems.

MAYBE it helps get the job. But Peter Griffiths' successor as head of the government's Trust unit, Nigel Beverley, also appears to have created a ghastly mess – as boss of the opted-out Southend Trust – before he was promoted. The Trust is running at 13% above its target caseload, and worried DHA officials have been trying to get a special payment for £500,000 from NE Thames region to prop it up!

been issued for only 55% of expected income, while only 4.5% had been received!

The *HSJ* estimates that without drastic action, the potential deficit on the first year of trading could be as high as £7.5m.



Andrew Wiard

Enterprising protestors against the opting out of Parkside's community unit and St Mary's Hospital lobbied Health Secretary William Waldegrave's house – only to find the door and letter box closed to their 5,000-signature petition.

Banbury opt-out victory

Opponents of the opting out of Banbury's Horton General Hospital can notch up a partial victory now that management have held back their second-wave application for 12 months. They now intend to submit their bid in the third round.

Horton bosses had failed even to win over a majority of consultants at the hospital, while public reaction was almost universally hostile (politely described in management-speak as "a lively consultation period").

Huge doubts over the financial viability of a Horton Trust were exposed in a report drawn up by LHE for Oxford region health unions, which showed that the bid was aiming for a best-case scenario in which the first-year surplus would be just £20,000 on a budget of £18 million!

On September 3 management announced that they had decided to shelve the launch date to April 1993. The opt out scheme is effectively already a dead donkey. Now all we need to do is ensure they drop it!

Spot the Turkey!

A new Health Emergency competition

WHICH second-wave opt-out bid will be the biggest loser on the internal market? There is a glittering prize awaiting the winner of the London Health Emergency 'spot the turkey' challenge.

There will be some hot competition for you to choose from.

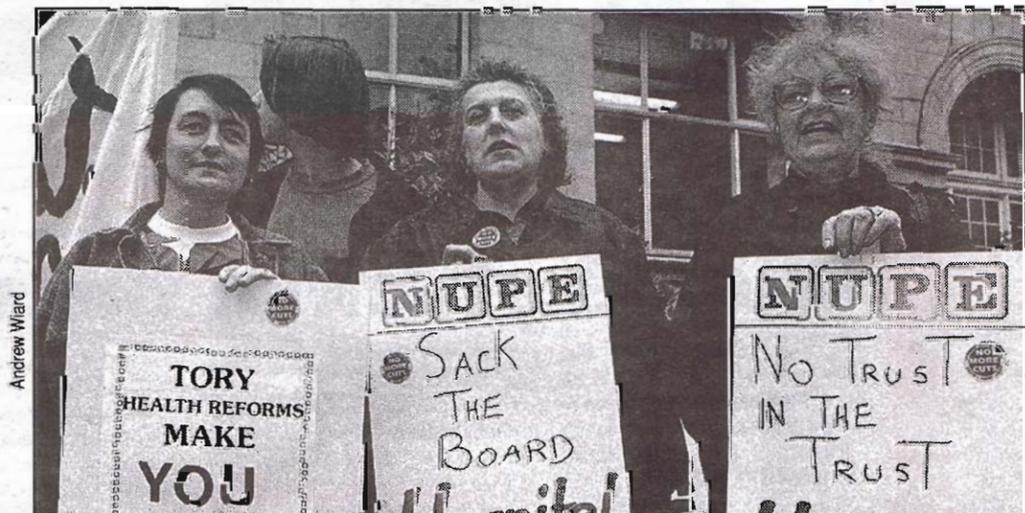
For bare-faced cheek, could it be the Aylesbury Vale Priority unit, which appears to forecast a surplus of £2.1m,

only to register a deficit of £74,000 when interest charges are deducted?

In the same league is the Waltham Forest bid, which went to press with no financial information, and then published figures that left out interest payments – concealing a projected deficit of £600,000 by year three.

The sheer scale of this deficit is dwarfed by the West Berkshire Mental Health unit, which blithely projects a £74,000 deficit in year one and a mega £6.1 million shortfall on year two. For book cookery, West Berks again takes some beating, for the way it ignores this £6.1m in projecting its year three figures.

On a region-wide basis, Oxfordshire's eight bids, none of which project a surplus in excess of 1% of their annual budget, and which include Milton Keynes Community unit's best-case projection of a £9,000 margin



Andrew Wiard

on a £16m budget, must be strong contenders.

As a one-off bid, don't forget plucky little Pembrokeshire, the smallest DHA in Britain, which wants to test out the advantages of the internal market in a district 'bounded on three sides by the sea' and situated on the south-west tip of Wales. For good measure, the Pembrokeshire bid also conceals a deficit of at least £200,000 when interest is deducted.

But while all of these show routine levels of incompetence, perhaps the

prime turkeys are to be found among the re-applicants, still gamely trying to opt out after last year's rebuff.

City & Hackney DHA, again embroiled in slashing staff and services, is back in again, as is St Thomas's Hospital (widely believed to be doomed to early closure, and already on course for yet another £1m-plus deficit this year). Perhaps you would prefer to back one of the sketchy Bromley resubmissions, or the easily folded A4 sheet that carries the latest Harefield Hospital bid?

Maybe you know of worse and weaker applications?

Send us your nominations for the three most disastrous second wave losers, ranking them in order of bankruptcy, with an entry fee of £1, by December 1.

Judging will be in a year's time, and the lucky winner will win a much sought-after dinner with the LHE staff. Second prize, two dinners ...

DHA abandons care for elderly

ALL long-stay NHS beds for the elderly in West Berkshire DHA are to close by 1993 according to a sweeping new plan to hive off care to the private sector.

At stake are over 200 beds in Reading, Henley, Wokingham and Newbury, among them the purpose built modern 30-bed unit for the elderly mentally ill at Hungerford House, Newbury: this will be handed over to private management, which will contract to hire NHS staff.

New private nursing homes will be built on NHS land in Wokingham and Henley, with profit-making firms paying an undisclosed lease rental to the DHA.

The West Berks proposals include no financial figures, but all depend upon the availability of so-

cial security payments of £245 per person per week to underwrite the costs of transferring patients into the private beds. As an interim measure, the DHA plans to 'top up' these payments to guarantee that individuals do not have to pay.

Only in this way – by milking another government department – can health chiefs promise improved accommodation at lower cost than the present service. But while existing patients have been promised that they will not have to pay any money, this will not necessarily apply to subsequent patients moved into this accommodation – especially after April 1993, when controversial new community care policies come into force.

From then on responsibility for community care will be transferred to local government, meaning that



John Harris

"I said we're going to have to charge you quite a lot of money, my love ..."

elderly people requiring continuing care will be subjected to means-tested charges rather than being offered an NHS bed free at point of use.

By moving now to wash its hands of long-term care for the frail elderly, West Berkshire is leading the pack, but other health authorities are likely to follow suit.

But by placing their entire reliance on private monopoly providers, they are gambling with the future care of hundreds of vulnerable people: if anything goes wrong, or the private homes go

bust, there will be no fall-back option.

The consequences for NHS staff, facing a grim choice of losing their jobs or having to work under contract for a private, profit-seeking

management, are as serious as they are for their elderly clients.

No longer chipping away at the edges of the NHS, management are now knocking off huge lumps!

DOUBTS OVER TOP-UP CASH

THE LEGALITY of top-up payments by DHAs which hive off elderly people to private, profit-making nursing homes has been called into question.

Legal advice to the Department of Health suggests that the payments,

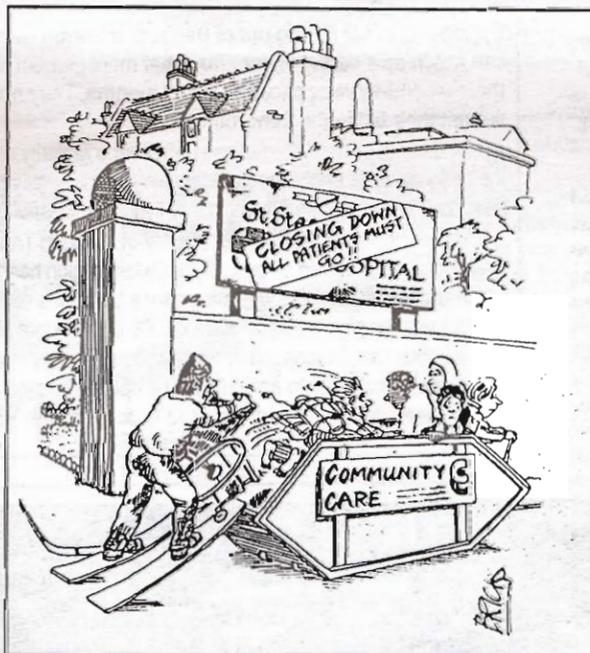
often at least £50 per person per week on top of social security income support of £245-£299, could be illegal because the health authority is still responsible for the care of the patient.

The implications of this finding could be devastating, because over 60,000 long-stay NHS beds have been closed since 1979, with many patients switched to private nursing homes.

One London DHA told the *Health Service Journal* that if the new guidance was implemented he would have to reopen 80 beds at a cost of over £1.8m a year to replace the present places in nursing homes.

Another manager said he would have to close an acute ward to cover the potential extra costs of paying the full fees for 25 clients who could not be moved back into hospital.

Meanwhile the government is still committed to sweeping reforms that would switch all community care from NHS to local council control, making all elderly patients with savings or property liable to pay means-tested charges to cover the cost of their own care from 1993.



Purchasers and providers split:

Clients stuck in the middle

SIXTEEN people with learning difficulties have been caught up in a funding wrangle between Bloomsbury and Islington health authority and a charity entrusted with their care.

The crisis highlights the dangers of health chiefs shuffling off responsibilities onto an under-resourced voluntary sector.

In 1987 the charity CSMH launched a scheme in north London to house the 16, former residents at Croydon's St Lawrence's Hospital. Funding was agreed – then with Croydon DHA – at just £13,000 per person per year, and has only increased since then by 14%, well below inflation, to £14,840.

Latest estimates of the actual costs of providing the care the

clients need come to an average £30,000, around the figure produced by cost analysis in Bath health authority – but more than double the amount paid by Croydon.

Not surprisingly, CSMH, having carried these costs since 1987 is now £500,000 in the red. Yet first Croydon, and now Bloomsbury health authority which takes over the funding from April, have refused to agree to double the payments for each client or to take any steps to help resolve the accumulated deficit.

As a result, the charity has responded by sacking 25 staff, leaving the residents caught in the middle, and fearful that they might be returned against their will to St

Lawrence's or dumped into another hospital.

Croydon DHA has asked the opted-out Trust that now runs St Lawrence's to find ways of maintaining 14 of the CSMH residents in the community to avoid them returning to hospital.

However the CSMH project seems certain to collapse as result of health authority refusal to spend what it really costs to provide community care for people with learning difficulties.

More voluntary sector providers could go the same way. Bloomsbury & Islington DHA have also been embroiled in a clash with another group when it attempted to slash the budget of St

James's House, which provides work for mental illness sufferers.

In April the DHA signed a contract worth £198,000 with the charity – 73% of its running costs. Soon afterwards, management, faced with a demand for overall spending cuts, attempted to cut £50,000 – more than a quarter – from the St James's budget.

The charity hit back, insisting that the DHA was bound by its contract, and that a discriminatory cut, almost ten times the overall 3% cut in mental health spending, was unlawful.

On legal advice management climbed down: but the long-term future of this and many other voluntary sector projects must remain uncertain.

No bridge to progress

Yet again government cash allocations for development of community-based mental health services have fallen far short of the amount needed to move forward.

Six health regions share a paltry £28 million from the NHS Capital Loans Fund, which is supposed to provide bridging funds for health authorities trying to replace crumbling, oppressive mental hospitals.

One health authority strikes it lucky with £8 million, while another 60 applicants get either nothing or a pitiful amount. The whole North West Region gets only £445,000, while NE Thames has just £1.5 million to share out.

COHSE the health care union, MIND and other pressure groups have been campaigning for a bridging fund of at least £500m to enable real progress towards community care.

Capital's hospitals in firing line

Will Waldegrave bottle out on free 'market'?

HEALTH Secretary William Waldegrave may be poised to step in to prevent a wholesale financial collapse of London's hospitals when the unbridled internal market system takes off next April.

His own Department advisors have warned that the implications of the NHS reforms include the loss of at least one teaching hospital in the capital and up to 2,000 London hospital beds as provincial health authorities seek cheaper treatment for their residents.

Obviously this could prove extremely awkward for Mr Waldegrave, especially if it takes place before the next election.

But any intervention seems certain to create an invidious two-tier market, in which dog-eat-dog competition would prevail everywhere except the politically-sensitive South East, where some form of restraint would be imposed.

Hints of such an intervention came during the summer when NHS chief executive Duncan Nicholl told a conference of managers that he was preparing 'exceptional agreements' to cover ten percent of health authorities, saying that he was "not prepared to risk havoc, particularly in Central London".

Restrictions

One interpretation of this is that the Department of Health may try to impose "steady state" restrictions on purchasers of services from hospitals in the capital, to compel them to continue.

It seems certain that such restrictions would be resisted, even flouted, by some health chiefs in more outlying areas.

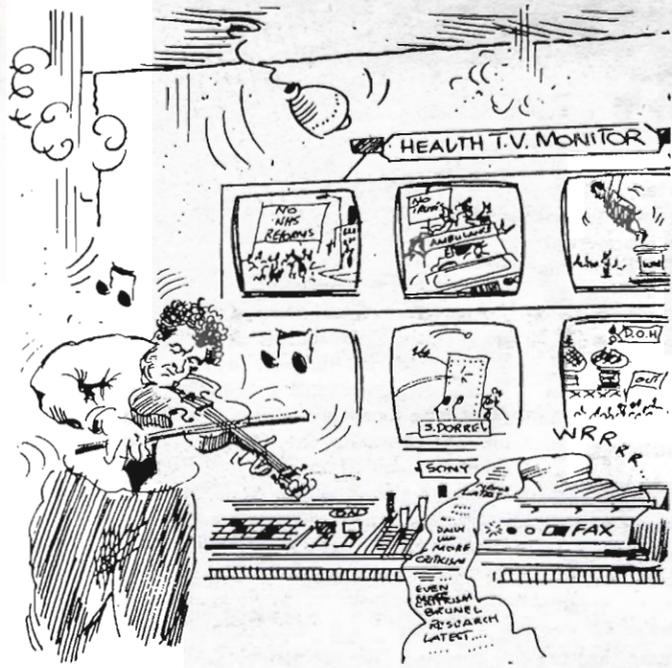
The latest rumour is that Waldegrave will seek a way out of his dilemma by setting up an 'inde-

pendent inquiry' into London's NHS, which could not report until next summer. This would give him a pretext for blocking any big changes or closures until after the election is over.

According to *The Times*, Mr Waldegrave "has now been persuaded that a planned strategy is preferable to hospitals being forced out of business through haphazard ward closures." (Sept 16) We can only wonder how much persuading it took!

Waldegrave may also hide behind the inquiry as an excuse for postponing any decision on the go-ahead for two huge new mega-hospital projects in Central London - the new £176m replacement for the Middlesex and UCH teaching hospitals, and the £74m development at St Mary's, Paddington.

This delay makes even more nonsense of the St Mary's opt-out bid, which hinges on the new



development; and it would leave the tentative third-wave opt out of Bloomsbury and Islington's three teaching hospitals hanging in limbo.

Meanwhile any move to protect London from the forces unleashed by his own government's 'internal market' is likely to produce angry protests from provincial health

authorities which are themselves fighting for survival.

It would also amount to a dramatic reversal of policy from Waldegrave's own insistence only six months ago that he would not intervene, but would allow bankrupt hospitals to go to the wall.

That's the wonder of elections!



Capital carve up

THE PUSH towards the creation of vast, merged "Commissioning Authorities" to replace the existing District Health Authorities is speeding up across the capital.

A new report from London Health Emergency, "Capital Carve Up", points out that if current trends continue London's 28 health districts could be merged into 11 huge commissioning authorities over the next five years.

Health authority mergers are nothing new in London. In recent years we've seen the creation of Riverside and Parkside DHA's both of which have faced massive underfunding and have used their mergers to push through severe "rationalisation" cuts.

The latest hook-up has been between Bloomsbury and Islington - more of a takeover by Bloomsbury than an actual merger - and once again cuts and closures have been top of the agenda.

The momentum behind the latest merger craze has been generated by formal plans to lump West Lam-



beth, Lewisham and North Southwark and Camberwell DHA's together into a new South East London Health Authority.

The three Districts have already effectively been merged as for the past year their main functions have been delegated to the South East London Commissioning Agency. Merger is now a rubber-stamping formality set to be completed by the end of the year.

For patients the creation of even bigger bureaucracies means more red tape, greater isolation within the system and even less chance of having their voice heard.

Hospitals, remote as they are now, will have their last tentative links with the local community severed as they are pushed deeper into contract battles with neighbouring units.

The only people laughing will be the senior managers as they review their own salaries upwards.

Merger mania - coming to your health authority soon!

£100m threat to London's NHS

A MASSIVE £100m could be slashed from the spending power of London's 28 district health authorities as a result of the new 1991 Census figures, warns London Health Emergency.

The Census figures - widely believed to be distorted by the Poll Tax - show a 6% (378,000) reduction in the population of Greater London, from an estimated 6.76m to just 6.38m. Reductions ranging from 3% to 17% affect almost every London borough.

But under the Tory NHS reforms this could also mean a cut of over £97 million in health authority budgets, which from next April will be calculated on the size of the resident population in each health district.

"Many health authorities have a nasty shock coming, and many hospitals will face an even tougher fight for survival," commented LHE's John Lister.

"£100m is more than the annual cost of running the giant St Thomas's teaching hospital - and equivalent to more than a whole year's budget of a medium sized health authority such as Enfield, Bexley, or Kingston & Esher."

Market could bankrupt teaching hospitals

TEACHING hospitals in general - and London's relatively expensive teaching hospitals in particular - are 'under threat' according to the University Funding Council.

In a report published amid the revelations of the Guy's financial crisis, the UFC points out that the teaching hospitals have to attract a wide enough range of referrals to enable them to train doctors.

But their overall running costs are far higher than provincial general hospitals, and this makes their prices for 'routine' treatments relatively expensive.

Bread and butter

As a result many of these bread and butter cases will begin to go to cheaper general hospitals, warns the UFC. This would deprive the teaching hospitals of revenue they need to

balance the books, forcing them out of business, threatening thousands of jobs as well as the training of doctors.

"Undergraduate teaching requires a broad clinical base, and it is the run of the mill cases essential for teaching which are most likely to be lost to teaching hospitals, which are dependent on cross-boundary flow."

"Luddite districts can save money in the short term by placing contracts with non-teaching hospitals, but 20

years downstream it will be seen that the next generation of doctors has not been properly trained."

Intervene

The UFC is calling for government intervention into their new 'internal market', to prevent contracts automatically going to the cheapest hospitals.

But isn't that precisely what a market is supposed to do?

Andrew Ward (Report)

Private sector's empty bed blues

By JOHN LISTER

THE GROWTH of private medicine in Britain appears to be faltering, with two commercial hospitals closed last year and the first reduction for six years in the number of private hospital beds.

Latest reports suggest occupancy rates in London's private hospitals are down from around 70% to just 50-60%, barely break-even level.

Some private hospitals appear to be losing out as a result of ludicrously low prices on offer from NHS hospitals desperate to fill their empty pay-beds. For one spinal operation on a little girl, Great Ormond Street Hospital recently quoted a price £3,500 cheaper than a private hospital - leaving the medical insurers to pocket the difference.

The private sector is certainly struggling to make profits as the recession takes its toll of their balance sheets. Last year BUPA, the biggest private insurance provider, lost a massive £63m on insurance activities, compared to a £16.8m profit on other activities including running its own hospitals.

Consortium

Meanwhile regardless of the financial risks and the evidence of huge overcapacity in the market, more NHS hospitals and Trusts are seeking to expand their private work.

A new consortium has been launched involving 29 DHAs and

Trusts to investigate marketing "package deals" including travel, treatment, convalescence and even car rentals for wealthy patients from Europe, while NHS patients languish on their waiting lists.

Managers boast that NHS prices for many operations are 'competitive' in European terms 'especially if marketed in bulk'! (They have apparently failed to spot the lack of waiting lists for most European countries).

They are even looking to train consultants in language courses, so that they can ask for more money in several different European tongues.

Importing patients

Carried away with the prospect of importing vast numbers of rich patients and turning whole NHS hospitals into private medical businesses, Bury DHA's director of finance told the *Independent*:

"There is a huge potential market of 320 million people in Europe, many with private insurance. As far as we know there is nothing to stop them from coming here."

Of course there are plenty of obstacles to prevent the 1 million NHS waiting list patients getting in to these 29 DHAs and Trusts - not least the lack of funding, combined with the indifference of managers who clearly wish they were working for the private sector.

Among the DHAs and Trusts in this unsavoury consortium trying to fill their beds with fee-paying customers are Manchester's opted-out

Christie cancer hospital, and Kettering DHA, which earlier this year told local women that sterilisation would no longer be available on the NHS.

While directly-managed hospitals are restricted to a maximum of 10% of beds allocated to private work, Trusts face no such limits, and are free to take such decisions behind closed doors at Board meetings with no public consultation.

Yet already the 29 DHAs and Trusts in the consortium admit that they have between them a massive 80,000 spare private bed days a year, the equivalent of 7.5 beds in each hospital left vacant every day!

Speculating

The managers speculate uselessly on how much revenue might be generated in the unlikely event of these beds being filled to 80% capacity by private customers from overseas.

It would be more helpful if they would consider how much they could guarantee in contract income from health authorities if they reallocated these vacant, loss-making pay-beds to NHS use, and started to clear the waiting list.



Riverside massacre

THE CUT-THROAT battle for revenue between London's teaching hospitals is already taking its toll of jobs and services.

While Guy's Hospital set the pace, Riverside health authority was not far behind with its decision to axe over 400 jobs at the Charing Cross and West London Hospitals.

Riverside is embroiled in a huge £6.7 million cuts programme, having carried over a £2.7 million deficit from last year.

130 beds remain 'temporarily' closed at Charing Cross, and to these have now been added all of the hospital's gynaecology beds, closed this summer without any warning or consultation.

Planned mental health service developments have been shelved indefinitely, and plans for three nursing homes and a health care centre have been scrapped.

Managers of course continue to claim in public that "services will not be affected," but the day of the bedless hospital has not yet arrived, and the axing of mental health and community

services will heap more suffering on sufferers.

More honestly, management argue that under the Tory health 'reforms' the local service "is a business and it has to be made competitive..."

In fact Riverside's hospitals face a £2.2 million shortfall in income this year for contracts from other health authorities - despite the government's efforts to preserve a 'steady state' of pre-existing referral patterns.

Meanwhile Riverside bosses still boast of the crazy scheme under which they will use 'spare' capacity at Charing Cross to treat orthopaedic patients from Exeter.

Charing Cross already has over 1,100 general surgical patients waiting for treatment, while consultants at the Westminster Hospital have been instructed to reduce by 50% the number of referrals they accept in a bid to 'contain waiting lists'!

*** Neighbouring health chiefs in Hammersmith and Queen Charlotte's Hospitals are slashing 87 jobs to save money.**

The SHARP END



By GEOFF MARTIN, our man in the social club bar

Tories against the opt-out

Sharp End is delighted by the responses of Ivor Stanbrook MP and Sir Phillip Goodhart MP to the proposed opting-out of health services in Bromley in the second wave.

The views of the two senior Tories are reported in the latest agenda of the South East Thames Region. Sir Phillip is simply reported as "opposing the Trust" but Ivor Stanbrook goes much further.

He "...expresses very strong opposition to the proposal on the basis that the Health Authority is poorly managed, inaccessible and uncooperative."

Sharp End is pleased to report these views in the interests of political balance. All we can say is "Nice one Ivor!"

Income gen corner

Barmy, penny pinching "income generation" schemes are nothing new in the modern post-reform NHS.

However, just when you thought the depths had been plumbed and the bottom of the barrel scraped to a mirror finish the chiefs at the Kingston Hospital Trust have managed to excel themselves.

Patients at the opted-out hospital who want to catch an episode of Coronation Street or Eastenders will be

charged £2 a night for the use of a telly.

Cheapskate though the measure is, it wouldn't be so bad if the hospital managers had organised their own alternative entertainment. Here we suggest some games you could play with a Trust Executive;

"Name that Goon", "Bureaucrat Takes All", "The Income Generation Game", "Pin the Fat Cheque on the Chief Exec".

Let us have your suggestions.

Whose business methods?

Just to let you know, the Finance Department at Guys which recently lost its Director is now being run by accountants from Price Waterhouse.

Price Waterhouse were the accountants for the failed Bank of Credit and Commerce International.

Just tellir you know, that's all.

Flag days for flagship?

Is it now compulsory for senior staff at the so-called "trust flagship" Guys Hospital to sit around with their feet jammed firmly in their mouths?

The latest in the long list of hoo-hahs to hit the hospital was picked up by LHE from a letter sent out to businesses appealing for funds to



support intensive care cots in the Guys children's wing.

The letter is surprisingly frank, admitting that "Guys, like other hospitals, has never been adequately funded...":

The letter concedes that the children's wing urgently needs private cash to "...help save lives of babies and children."

But in these recession-hit times, the letter offers businessmen the opportunity to enter a draw with a first prize of a months free use a Rolls Royce.

"Imagine the envy of your competitors", runs the sales blurb, "...if they see you driving around in the 'Best Motor Car in the World'."

Even more difficult to imagine at the moment is a health service where life or death care for sick kids is fully funded from taxation.

Meanwhile on the topic of dream cars provided by the NHS, keep your eyes peeled for Guy's ousted Director of Finance, Peter Burroughs, currently driving around in a 525i BMW given to him by the Trust as part of his mas-

sive £200,000-plus golden handshake.

Little Hitler gets ready to opt out

Just what sinister plans have some would-be Trust managers got for the unions if they get the go ahead to opt out?

A hint can be found in the intemperate threats from one Unit General Manager in South Wales, bitterly complaining that a COHSE official had dared to turn up to a press conference launching a Trust bid, and to give interviews opposing the opt-out on hospital property!

The nameless - and almost speechless - manager

concludes his tirade of complaints with the ominous threat that:

"I look forward to the time when it will be within my authority to decide whether accommodation might or might not be made available on site for the conduct of trade union affairs including negotiation, communication and their own publicity".

Cookery lessons

LHE has repeatedly criticised the financial information on offer in Trust applications, and some of the less realistic financial projections of health chiefs. In some Trusts, the figures are more doctored than the patients.

Now, advertised in the *Health Service Journal*, is the ideal course for managers looking for ways of cooking the books for public consumption.

Come on, chaps, is this a wind up, or what?



LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE
CREATIVE ACCOUNTING
 A course offered by the Department of Accounting and Finance at LSE on the representation and misrepresentation of financial reality. The course is intended for managers with no specialist background in accounting, but whose employment requires the use and interpretation of accounting data. The course concentrates on the creative possibilities inherent in accounting and their potential risks to users of financial information.
 Six evening seminars, to be held on Thursdays, from October 24 to November 28, 1991 at the LSE.
 Fee: £350, to include course materials and buffet supper.
 Please contact: The Short Courses Office, LSE, Houghton Street, London WC2A 2AE. Tel: 071-955 7225. Fax: 071-955 7676.

New threat to children's hospital

By GEOFF MARTIN

FOR SHEER cloak and dagger secrecy, the St Helier Hospital Trust in Sutton takes some beating. We understand that some patients have had to hire private detectives just to find out what's on the lunch menu!

The St Helier bosses have repeatedly failed to release either their business plan or their latest financial report but despite the shroud of secrecy it has become clear that there has been a major mis-calculation on the original financial projections.

Last year's Trust application claimed a projected income of £66.6 million this year of which 88%, some £58.6 million, would come from a block contract with the Merton and Sutton Health Authority.

However, the Health Authority have confirmed that this year's block contract is only worth £51.9 million leaving the St Helier Trust some £6.7 million short. In an ex-

traordinary and surprising tactic the St Helier bosses have refused to comment on this blunder.

But ominously the St Helier Trust is now sharpening up its plans to get its hands on the valuable Queen Mary's Hospital for Children site in Carshalton.

The decision to close the world-famous Queen Mary's was taken over five years ago and since then the fabric of the hospital has been run into the ground. Now, the St Helier Trust are claiming that they will build a small unit on their cramped, overcrowded site to replace Queen Mary's freeing up a multi-million pound block of prime building land.

Local campaigners, recognising the fact that Queen Mary's has been starved of maintenance funds, are demanding that the children's hospital be re-built on the current site under local Health Authority control and not transferred to the Trust. The campaign rolls on.

Copycat opt-outs threaten services

JUST AS publicised crimes tend to produce pathetic 'copycat' imitations, so the first and second-wave opt out applications have prompted an even wider range of unit managers to draw up their own bids.

■ The UCH/Middlesex/Whittington bid is being floated by managers of Bloomsbury and Islington health authority, and must be the first to attempt to roll together three teaching hospitals. In practice such a Trust would be a stepping stone to closing down two of the three. One obvious problem is the historical antagonism between the consultants at the UCH/Middlesex and those at the Whittington, who have now thrown their support behind a rival Whittington opt-out bid.

■ Hounslow and Spelthorne's struggling West Middlesex Hospital is widely believed to be a victim-in-waiting of the internal market. The DHA have repeatedly tried to get rid of it in schemes for a single-site hospital that failed for lack of cash. Now they propose to opt out, even as Ashford Hospital, a second-wave contender, sets out to rip off the West Mid's more lucrative business.

■ Redbridge management's plan to take out all the district's services barely conceals their ambition to opt out the new Goodmayes General Hospital before it is even opened.

■ Newham DHA's tentative application has already been strongly

attacked by the local CHC. It is a classic 'me too' exercise, with nothing to offer local people other than even more remote and inaccessible decision-making.

There can only be one word of advice from health workers to management who find themselves drifting towards an opt-out: DON'T!

● **THE SECOND and third wave opt-outs have triggered a new bout of campaigning across London.**

Public meetings, demonstrations, petitioning, leafletting, staff ballots and even opinion polls and street ballots have been organised, all showing the almost universal opposition to opting out.

The most vocal and effective second wave campaigns have included those in Ealing, Barnet, Waltham Forest and Parkside.

New campaigns are already preparing to fight third-wave bids in Bloomsbury & Islington and Enfield, while in Redbridge the local Pensioners' Action Association and Trades Council have swung into action at the first hint of opting out.

Hands Off Our NHS will be producing a new range of leaflets and campaigning material to assist local groups in London and elsewhere. Give us a ring if you are launching a campaign, on 081-749-2525.



Staff at Lewisham Hospital voting to oppose the redundancies and cuts imposed by the Guy's-Lewisham Trust just days after it opted out on April 1. More cuts are still pending.

Andrew Ward

Oldchurch, Rush Green face closure

ENT services first to close

Ear Nose and Throat services at Romford's Oldchurch Hospital face almost immediate closure as local NHS chiefs move to "centralise" more services at Harold Wood Hospital, preparatory to "opting out".

Ophthalmology, neurology and neurosurgery services are also under imminent threat, effectively removing from Oldchurch three of its regional specialties as management step up the pace towards closure within five years.

The ENT closure, which has not been put out for consultation to the local Community Health Council or to the wider public is intended to be completed in less than two months - by November 1991.

Leak

Confirmation of what had until now been well-informed rumours that Oldchurch ENT was to face the axe came in a top secret management document leaked to London Health Emergency, which focusses on two highly controversial proposals:

■ The CLOSURE of Oldchurch and Rush Green Hospitals to leave a

single-site District General Hospital at Harold Wood.

■ PREPARING this general hospital to "opt out" as a self-governing Trust.

The original single-site development plan was projected to cost an astronomical £130 million. It was almost unanimously opposed by the CHC, FHSA, the boroughs of Havering and Barking & Dagenham, MPs of all parties, trade unions, consultants and community organisations.

The Regional Health Authority which holds the purse strings has repeatedly postponed taking any formal decision on the plan: but clearly Mr Eames and his team are secretly forging ahead regardless.

Maternity

The planned rapid closure of ENT at Oldchurch follows hard on the heels of the announcement last month that maternity and gynaecology services are also to be "centralised" at Harold Wood, bringing the closure of these services at Rush Green Hospital.

As a result, local people face the piecemeal dismantling of services at Oldchurch and Rush Green under makeshift arrangements, with no prospect of the new mega-hospital

that had been promised at Harold Wood.

The shock decision by the North East Thames Regional Health Authority to give BHB health chiefs the go-ahead for a £6 million plan to "centralise" obstetrics and gynaecology services at Harold Wood Hospital will mean closing the well-loved maternity unit at Rush Green, and threatens the rapid closure of the hospital which has already lost 139 beds since 1987.

As a result, thousands of women from Barking and Dagenham will have to make the long, awkward journey to Harold Wood, on the outskirts of Havering, for their ante natal care, childbirth, and for gynaecological treatment.

The three councils opposing the health authority plans were assured that the Region would not discuss the issue in July, and were dismayed to discover that this part of it had been smuggled onto the agenda under a different heading.

A campaigning newspaper written and designed by LHE, spelling out the councils' objection to the single-site hospital scheme is being distributed through community organisations in both boroughs.

Alarm over ambulance opt-outs

LONDON Ambulance bosses are having great fun keeping staff and public guessing about when they'll finally release their plans for the service to opt-out and form a Trust.

The LAS has missed the deadline for the second wave, which is due to come into force from the 1st of April next year, but with the Tory government now seeking "expressions of interest" for the third wave, the 'London Amulance Trust' bid is expected to surface soon.

LAS chiefs are known to have been keen on opting-out since the early days of the NHS White Paper, but despite a series of threats and false starts they haven't yet been able to cobble together a formal application.

Maybe they've been waiting to see how opted-out ambulance services in other parts of the country

are shaping up: the answer is that staff pay and conditions have been slashed, with a direct impact on the service to the public.

Of the three ambulance services that have already opted-out the most savage cuts so far have come in Northumbria where the list of changes to staff conditions include:

* **Increasing** the working week from 39 hours to a basic 42 hours.

* **Cutting** annual leave from 25 days to 21 days.

* **Imposing** dangerous 12 hour shifts for emergency ambulance staff.

* **Paying** non-emergency staff a pitiful £6,600 a year for a 45 hour week compared to the Whitley Council rate of £9,315 for a 39 hour week.

* **Attempting** to interfere with Union rights by seeking a

sweetheart deal with a 'single staff organisation'.

None of this was referred to in the original opt-out application, and the managers have simply rail-roaded the changes through once the government gave them the nod to form a Trust.

Over in Lincolnshire Ambulance, another first wave opt-out effort, things are not much better. Non-emergency staff have had their wages cut by a third to just £6,200 - £3,100 less than they would get under Whitley Council rates. Many are now forced to depend on income support.

The experience of ambulance service opt-outs in other parts of the country give a clear pointer to what we could expect in London if the LAS got away with becoming a Trust.



Get the facts!

Opting for CHAOS

A survey of the second round applications for health units to opt out of London

Researcher: MARTIN COHEN

As they close the big psychiatric hospitals?

WHERE'S the CARE?

An investigation into London's mental health services

Pamphlets on community care and London's 2nd wave opt outs. £10 each (both for £15) from LHE, 446, Uxbridge Rd, London W12 0NS

Trust bosses urged to exercise new 'freedoms'

Health workers on the lump?

STAFF working for opted-out Trusts could soon face concerted moves to casualise their jobs and replace skilled professional staff with lower-paid grades.

These are among the proposals floated by Keele University Professor Roger Dyson in a confidential report to the NHS Management Executive.

In his view the best way to give key staff the illusion of being better off (while in fact *reducing* unit costs) is for Trusts to duck out of paying for staff terms and condi-

tions, by turning staff into self-employed freelances.

His proposals would turn nurses radiographers, lab staff and other NHS professionals into the equivalent of sub-contracted 'lump labour' in the building trade.

At a stroke the Trust could free itself from any commitment to pay for sickness, holidays, premium rates for overtime or unsocial hours, and superannuation: all of these would be left up to the self-employed individual.



Stefano Cagnoni (Report)

Nurses join together to fight for higher pay in 1988: bosses want to prevent this by putting them all on personal contracts

The savings from this are so potentially huge that Trusts could offer preferentially high hourly rates and voluntary redundancy or ex-gratia payments to lure staff into giving up their staff status and going self-employed – and still come out ahead on the deal.

The Professor also wants to see a dilution of the skill mix in key departments, replacing more highly-qualified staff with those on lower grades.

It is obvious that a consequence of this would be to create new, ex-

plorative 'skivvying' grades, who will spend their entire working day doing menial and unpleasant chores.

Of course such a big change would jeopardise the jobs of many skilled staff, since fewer would be needed. But, says the Prof, "To the professional *who remains in employment*[!] this package is positive..."

His ideal is one in which each department is staffed with a bare minimum of individuals, each on a 'personal contract'.

A logical consequence would be the demolition of collective trade union representation and the complete destruction of the nationally-negotiated Whitley council terms and conditions.

Here in black and white is an example of the kind of 'freedom' management are seeking when they apply for Trust status. Health workers who want to remain members of staff rather than lump labour should join the fight against opting out!

St Thomas's faces new closure threat

SPECULATION around the closure of at least one major London teaching hospital has been heightened by the publication of a new set of guidelines from the South East Thames Region.

In a review of acute services titled "Shaping the Future" a new set of guidelines are laid out which basically suggest that each main hospital in the Region should serve a population of 300,000.

This creates an immediate crisis in South East London, where the planned new Health Authority covering Lewisham, Southwark and Lambeth has a population of

just over 600,000 and *three* main hospitals; Guys, Kings and St Thomas's.

Clearly, one of them is being set up for the chop – but which one? The mountain of evidence now points firmly towards St Thomas's.

● The hospital had its opt-out bid last year rejected by the government and rubbished by the Regional Health Authority on the grounds of poor financial performance.

● Well placed sources have told LHE that top level discussions have taken place proposing the shift of teaching functions from St

Thomas's to Canterbury and Brighton.

● Recent press reports have confirmed that St Thomas's is seen medically as the most vulnerable of the three units and could be reduced to the status of Postgraduate Centre prior to full closure.

While the speculation rages on, St Thomas's itself is left in a state of limbo. Staff at the hospital right up to consultant and top management level will probably be the last to find out that the unit is being set up as the first big casualty of health care market forces.

Meanwhile, other hospitals in South East London are threatened by the new Regional guidelines. Lewisham Hospital, the Brook, and Greenwich District could each fail to meet the new criteria and face being chopped, along with a number of small units in Kent and East Sussex.

LHE has challenged South East Thames Region to name the units that would be closed under the new acute services plan and to end the speculation. We have been met with an organised silence.



Affiliate now to Hands Off Our NHS!

The biggest campaign against opting out and the effects of the NHS Act now has over 120 affiliates all over the country. But Hands Off Our NHS still needs your support to continue the fight into 1992.

Organisations are urged to affiliate (£20 per year minimum, plus any donation you can afford) and individuals to subscribe (£10 per year, pensioners £5).

PUBLICATIONS AND CAMPAIGNING MATERIALS

By popular demand a new run of the leaflet *Ten Good Reasons Why Your Hospital Should Not Opt Out* has been produced, and updated versions will be produced as new information becomes available. Customised versions can be produced by arrangement for local campaigns. We can also supply copies of our leaflet on Trust finances (*Assessing the Finances*) (25p each, bulk rates on application).

Hands Off supporters can also get 50% reductions on two LHE surveys – on the second wave opt-outs (*Opting for Chaos*) and on community care for the mentally ill (*Where's The Care?*). These are available for just £5 each if ordered by affiliates. Also available are campaign badges, balloons, and shortly stickers and car stickers. *Equip your organisation for the battle to save the NHS: get affiliated, and get those orders in!*

Please affiliate our organisation to Hands Off Our NHS. I enclose a cheque for £... (£20 minimum).

Please add my name to the Hands Off subscribers' list. I enclose a cheque for £... (£10/£5 for OAPs)

Name.....

Organisation.....

Address for mailings.....

Position held..... Signature.....

Please send me

... Badges at £2.50 for 10: £...

... Balloons at £2.50 for 10: £...

... Opting for Chaos at £5 each: £...

... Where's The Care? at £5 each: £...

... Ten Good Reasons leaflets at £2.50 per 100: £...

... Assessing the Finances at 25p each: £...

Total enclosed: £.....

Make all cheques to Hands Off Our NHS

Send all orders/affiliations to Hands Off Our NHS, 446, Uxbridge Rd, London W12 0NS. 081-749-2525

Affiliate to LHE!

London Health Emergency has been running since 1984, and is the best-known watchdog and pressure group providing information and arguments to defend all aspects of London's health services.

We have over 250 affiliates in London and across the country, including national, regional and branch level support from COHSE and regions and branches of NALGO, NUPE, MSF and TGWU as well as many non-health trade union bodies, pensioners' groups and community organisations.

A year's affiliation is still only £15 (basic) or £25 for organisations with over 500 members. Make sure your organisation affiliates for 1991!

Please affiliate our organisation to London Health Emergency. I enclose a cheque for £... (£15 minimum, £25 for over 500 members), plus a donation of £....

Please send me ... extra copies of Health Emergency newspaper (50 copies £5 per issue, 100 copies £7.50, 200 copies £10)

Name.....

Organisation.....

Address for mailings.....

Position held..... Signature.....

Please return to London Health Emergency, 446, Uxbridge Rd, London W12 0NS. 081-749-2525