TPM

CC. I. WHITEHEAD

PRIME MINISTER (2) Rec 15/2 14 February 1990

STAFF BALLOT AT GUY'S HOSPITAL

Last Friday, the quality press reported that a staff ballot in Guy's Hospital had rejected self-governing trust status by a ten to one margin on a turn-out of a third of the staff.

A quick read of the press articles leaves the reader in no doubt that self-governing status for this flagship hospital is unlikely. And it is claimed that this is a decisive rejection of Government thinking and an embarrassing setback for ministers.

The misleading ballot

This view is totally misleading for five reasons:

First, far fewer than a third of the staff bothered to vote in this unofficial ballot by the unions. According to Professor Cyril Chantler, the Dean of Guy's Medical School and an NHS Policy Board member, the turn-out was closer to 10 per cent of the combined staff of the district health authority. A mere 1,000 people actually voted out of a staff of 10,000. Apparently, the voting base included other staff in the health authority such as Lewisham Hospital and the mental health units.

Second, it seems that some staff were unable to vote. Lord McColl told me he was excluded because the ballot was restricted to those holding Guy's identity cards - which have not been fully distributed at this point.

Third, hardly any staff with a long-term stake in the management of the hospital - namely the consultants, senior nurses and managers - bothered to vote. Peter

Burroughs, the District General Manager explained to me that most of the voters were the 'high turnover' unionised staff. Surely the support of the senior staff will be the real test of self-governing viability.

Fourth, the junior hospital staff are rather apathetic and misinformed. So far, the hospital management has arranged three open forum discussions with room for a total of more than 500 seats. Yet only 30 people attended over the three sessions.

Fifth, the vote was politically motivated by the unions as a direct attack on the progress of the NHS Bill. Perhaps this is why the hospital management has still not received a formal report on the ballot from the unions. NUPE, COHSE and NALGO see the Bill as a direct threat to their national negotiating power. And the Labour Party are equally worried that we are gaining ground in their 'own territory' of social policy. They are now seeing the tide of opinion move in our favour, particularly among senior hospital staff and GPs. By April 1991, there should be at least 40 to 50 self-governing hospitals and as many as 300 General Practioners with practice budgets.

Will Guy's become self-governing?

An official ballot among consultants in about two months time will be far more critical than this 'Hands off Guy's' campaign.

Professor Chantler believes the overwhelming support for self-governance expressed by the clinical directors (13 to 1 in favour) will be the most decisive factor in the vote. These champions of change will be the most influential.

And Professor Chantler believes we can be reasonably optimistic about the outcome.

I have found the in-house briefing material particularly helpful. Attached are some good examples that are worth a read:

- Appendix 1 highlights the key benefits for Guy's
- Appendix 2 answers the main criticisms
- Appendix 3 shows the benefits for patients

Conclusions

1. The Guy's ballot should be discounted.

2. More importantly, this is one sign of a growing campaign against the reforms by the unions and Harriet Harman.

3. At this stage, the senior hospital consultants will be the most influential factor in selling the reforms.

4. We can be far more optimistic about the outcome for Guy's than the union ballot suggests.

5. In any case, opinion is moving in our favour in most parts of the country as demonstrated by the growing demand for self-governance.

Ian Whitehead

IAN WHITEHEAD

WSG 390

Appendix 1

Guy's Hospital

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Your reference

Our reference

Date 6th February 1990

Mr Robin Bret Day
Chairman of the Select Committee (ie consultants committee)
c/o Stella Brackpool
Clinical Superintendant's Office
Guy's Hospital

Dear Robin

We found the second Report of the Select Committee on the issue of Trust Status very helpful in focusing attention on those issues which concern the consultants. We would just like to make three points:-

1. The Select Committee is quite right to point out that if the White Paper is enacted, then things will be very different from April 1991 for all providers, whether as self governing hospitals or managed hospitals. From that date we will be dependent for our funding on our ability to attract and retain contracts with a range of commissioning authorities. [Our latest data indicates that 48% of our workload at Guy's comes from outside this District, and is spread across 138 districts]. There is therefore no option of staying as we are as both the arrangements for our funding and our District Health Authority's role will change. The crucial question then becomes, will the interests of Guy's, Lewisham and Mental Illness Services and their patients be best served through being managed by a new style District Commissioning Authority or by managing our own affairs?

2. In exploring the issues of Trust Status over the last few months, it seems to us that the advantages of becoming a self governing hospital in the first wave are:-

(i) we can shape the conditions and framework under which a Trust might operate and as you yourselves describe "write the agenda for the structure of self governing hospitals" in just the same way as we led the way on RMI and clinicians in management.

(ii) we will report directly to the Department of Health and not to a District Commissioning Authority and then to Region and then to the Department of Health - access will be simpler and quicker.

(iii) as the arrangements for contract funding will apply to both managed and self governing hospitals, we will be in a better position to safeguard our future by having a Trust Board concerned solely with our affairs and being able to provide a more focused and better calibre leadership.

(iv) we will operate with greater managerial freedom.

(v) as a Trust, SIFT will come more directly to us from Region.

(vi) there are potential financial advantages especially as regards capital.

[Doubtlessly you will be pursuing with Elaine Murphy the merits of being a managed hospital in the new environment].

3. We recognise there are some concerns and questions about Trust Status that have surfaced from discussions with the Select Committee, Medical and Dental Committee, Clinical Directors and interested clinicians, and we have therefore enclosed a two part paper from our Steering Group. In the first part, it addresses many of these questions and in the second part explains the basis on which we would structure any possible application for Trust Status. We have also included some financial illustrations as to how capital will be handled for directly managed and Trust hospitals, and Peter Burroughs will expand on this when we meet.

We commend this paper to you as we believe it covers many of the areas your Select Committee has raised and we look forward to our next joint meeting on Monday 12th February at 12.30

Yours sincerely

Robin Stott
Chairman Lewisham UMB
Chairman of Steering Group

Hugh Saxton
Chairman Guy's UMB

cc Members of Select Committee
Members of Steering Group

Appendix 2

VIII. WHAT ARE THE POSSIBLE RISKS AND CONCERNS RE. TRUST STATUS THAT MIGHT LIMIT OUR AIMS AND HOW MIGHT WE ADDRESS THESE?

EXPLANATORY NOTE:

In the column headed "concerns" we refer to anxieties that have sometimes been expressed and therefore they are shown as quotations.

In the "Who follows up?" column we refer to individuals who are leading work going on to address these concerns, so please contact them as appropriate.

CONCERNS	POSSIBLE SAFEGUARDS	WHO FOLLOWS UP?
"Patients will have to pay for treatment at the point of delivery." "Prelude to privatisation".	Any NHS Trust application needs to include a Hospital charter confirming: - remaining within the NHS - patients do not pay for their treatment at the point of delivery.	Val Martin (Project Manager) Hugh Saxton (Chairman Guy's UMB)
"How can the local people be sure of a full range of service at Guy's/Lewisham once they become a Trust". "Guy's will become just a heart hospital." "Lewisham/Mental Illness Services will be swamped/taken over by Guy's.	The Commissioning authority will have the statutory responsibility for safeguarding the interests of the local population:- - by defining and agreeing core services - by the nature of the contracts placed to ensure: location of services range of services accessibility of services	Sue Atkinson (Director of Public Health) Claire Perry (Assistant DGM)

CONCERNS	POSSIBLE SAFEGUARDS	WHO FOLLOWS UP?
"Services we need locally such as for the elderly will disappear because the Trust will concentrate on services it can sell at a profit to other districts."	Equally, the Trust would want to to ensure regular funding for a baseline range of services to protect its viability. Therefore core services for the local population are essential for its own protection as they provide financial stability. In addition, the needs of Teaching will necessitate a range of clinical services at each hospital.	Sue Atkinson/ Claire Perry Peter Walsh (Service Planner)
"It will fragment the service especially between the hospital and community services".	Guy's and Lewisham and Mental Illness are proposing a single integrated Trust to protect the close clinical ties. In addition, the Trust/community interface will have to be carefully defined, with Priority Care working through the issue of where the boundaries are, and how best to organise the relationship to ensure that a commitment to "a seamless service" for patients is included in the Charter, especially in the light of the white paper on community care.	Peter Gluckman (Priority Care UGM)
"The Trust will be dominated by business interests". "There will be no local involvement in the running of local hospitals".	Membership of the Trust Board, especially the non-executive Directors must ensure a balance of interests, and allow for non-commercial and local view-points to be articulated there. A mechanism for achieving this, along with our aims and philosophy, needs to be included in the Trust Charter. Equally, the CHC will represent local views to the commissioning authority.	Robin Stott (Chairman Lewisham UMB) Hugh Saxton (Chairman Guy's UMB)
"The Trust Board will reduce the role of Unit Boards and Clinical Directors".	The Trust will undoubtedly rely on the Units and their Clinical Directors to manage these large hospitals. The success of the Trust will depend on the increased not reduced involvement of Clinicians, and the process for ensuring this must be enshrined in the Trust Charter	Nick Chapman (UGM Lewisham)

CONCERNS	POSSIBLE SAFEGUARDS	WHO FOLLOWS UP?
"Activities such as teaching and research which do not directly bring in patients and hence money will be discouraged".	Teaching and Research will be funded from the centre to ensure they are protected and to allow equal competition amongst providers: - the Trust Charter should include a commitment to the promotion of teaching and research at Guy's and Lewisham. - the extent of our involvement in teaching needs to be identified and protected. - the Dean will be on the Trust Board. - the Secretary of State is taking reserve powers to ensure hospitals cannot relinquish their responsibilities for teaching and research.	Hugh Saxton (Chairman Guy's UMB) Ron Crapper (Director of Finance Guy's)
"Will Trust status mean any extra money for our service/ hospital or for the NHS as a whole".	Trust status and contract funding should benefit us in two ways:- - we can encourage more work and treat more patients rather than artificially restrict it as at present, and therefore attract additional funds. - there are certain financial benefits from Trust status eg raising capital for investment eg retaining any surplus we are able to generate etc. In addition, in the NHS as a whole, the more progress is made on identifying costs and encouraging efficiency in the use of resources, the stronger our ultimate case for additional funding.	Peter Burroughs (UGM Guy's)

CONCERNS	POSSIBLE SAFEGUARDS	WHO FOLLOWS UP?
-"What will happen to us as staff if the hospital becomes a Trust?:- - will we still be employed within the NHS?" - will we still remain in the NHS Superannuation Scheme?"	All staff transferring to a Trust will remain part of the NHS and still be included in the NHS Superannuation Scheme.	Chris Wilson (Director of Personnel Guy's)
- will our contracts be altered?	Contracts for existing staff will transfer over to the new Trust.	
- will flexibility mean we will get paid less?".	Flexibility will allow us to take account of local factors eg our proximity to the City of London, but we will honour Whitley pay rates as the minimum we would pay our staff.	
"Will the Trust recognise existing trade unions/ professional bodies?"	Trade Unions and professional bodies play a valuable role in promoting the interests of staff, and this would still be the case for any Trust. Collective bargaining machinery will still be needed.	Chris Wilson (Director of Personnel Guy's)

Appendix 3

WHAT DOES THE PATIENT EXPECT FROM THE NHS? (APPENDIX)

EXPECTATION	CURRENT SITUATION	WHITE PAPER/TRUST EFFECTS
1. Advice about how to stay healthy and campaigns to promote this	- Little emphasis on preventative medicine - focus on curative medicine and needs of the hospitals	-DHA to focus on defining the health needs for the residents, how to promote health and what services to purchase on their behalf.
2. If ill, to see their GP promptly and have access to a full range of backup services	Occurs at present	Will not be changed under the White Paper.
3. If needing emergency referral to hospital - to go immediately - free treatment at point of delivery - seen promptly in A & E - admitted promptly if necessary	Occurs at present subject to availability of staff and beds	Will not change - block contract for core services to ensure guaranteed access - where some A & E departments cannot recruit sufficient staff, flexibility in pay for SGT's might help recruit and retain staff.
4. If non-emergency referral needed, to get quick Outpatient appointments and thereafter Inpatient appointments and not be on the waiting list for any length of time	Waiting lists, both for Outpatients and Inpatients, vary across the country - on allocation funding, there is little incentive for less productive hospitals to do more whilst more productive hospitals are constrained by set budgets	Money will follow the the patient and encourage interest in seeing more patients. This will benefit the more productive hospitals as there will be a direct link between workload and funding.

WHAT DOES THE PATIENT EXPECT FROM THE NHS?

EXPECTATION	CURRENT SITUATION	WHITE PAPER/TRUST EFFECTS
5. **Once at the hospital:-**		
Clinical		
- To be seen by appropriately qualified staff	Occurs at present although:-	Will not be altered by White Paper/NHS Trust, and in addition:-
- To have some continuity in whoever treats them	- in general, performance not stipulated	- service agreements will stipulate standards to be achieved and monitor these
- To be given the highest standard of care	- quality and clinical outcomes only partially monitored	- emphasis on quality, especially medical audit will be strengthened
- To have the full range of diagnostic tests, backup services etc		- this will continue and service agreements will require diagnostic and rehabilitation backup
- To be referred for other opinions/treatment if necessary		- tertiary referrals should be made easier by money following the patient.

WHAT DOES THE PATIENT EXPECT FROM THE NHS?

EXPECTATION	CURRENT SITUATION	WHITE PAPER/NHS EFFECTS
Non-Clinical		
- To be treated with courtesy	Should ideally occur but not always possible	- If patients bring funding, this will encourage hospitals to become more responsive to patients.
- Not to be kept waiting for any length of time		
- To have things explained		- staff need to be recruited in sufficient numbers and to remain to create this atmosphere. Pay flexibility may help here.
- To be treated in a cheerful, well maintained environment	little capital flexibility for maintenance and upgrading etc	- Trusts can raise capital and investment on a long term basis to improve facilities and deal with backlog maintenance.
		- Trusts can retain any operating surplus and plough this into better facilities and equipment
- To be treated as an individual and to feel the hospital "cares"	staff are generally committed to the NHS but any large organisation can mean loss of local identification	- Trusts will mean local decision making and more involvement of staff in shaping their destiny.

WHAT DOES THE PATIENT EXPECT FROM THE NHS?

EXPECTATION	CURRENT SITUATION	WHITE PAPER/TRUST EFFECTS
6. When discharged, to be looked after in the Community if needed	Close links between Hospital and Community is the ultimate aim although there is some difficulty in always achieving this	- DHA's will require all Trusts to define how the links will be maintained - Currently a working group including the Dirctor of Community Services is doing this.

VAL MARTIN
December 1989