cc JR

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MR TURNBULL

THE NATIONAL HEALTH SERVICE

Our case on the National Health Service is that we should seek greater value for money. Value for money has three important aspects. Firstly, there is the need to reduce and control costs, the side of the argument that we have stressed continuously in recent weeks. Secondly, there is the need to redirect some resources from those areas of the National Health Service where they are being wasted to other priority areas where care is insufficient. Thirdly, there is the need to define the standards and range of service that can be delivered for £15,000 million, and to guarantee certain standards of patient care in a positive way. It is this third element in value for money policy which has received little attention, and on which more work should be done.

We have recently talked to auditors involved in the last 2 years in District and Regional Health Authority audit. They bear out the message of Griffiths in a vivid way:

1. A lack of financial control. For example, a district was paying for several telephones that had long since been buried in the bottom of cupboards, or were installed in Halls of Residences by mistake and were being used by the staff for free personal calls.

2. Lack of control over payroll costs. Whilst some doctors are working very long weeks on punishing rotas, other doctors are failing to work the rotas required under their contract. There is no attempt to tie in work rotas to the payroll system.

3. Overtime. In some hospitals and districts, up to 5 per cent of the payroll costs can be saved by proper control over overtime, and making sure that it is only authorised when real work needs to be done. In one hospital examined, every maintenance man was being paid the maximum bonus and the maximum on-call rate, whereas only one-tenth of the maintenance men needed to be on call at the time.

4. Stock control. There is practically no effective stock control in any DHS hospital. It is well known that linen, for example, is often stolen by patients or staff, and there is no real control over the losses.

5. Drugs. Drug wastage occurs on an enormous scale, whilst there is often a preference by the doctors to prescribe branded rather than generic drugs, although the generics would be cheaper and would do the job just as well.

6. Administrative staff. There has been a tendency in the districts to appoint too many senior tiers of administrator. A district need only have one tier of senior management communicating direct to the people doing the job on the ground.

There are many other examples such as these of how the failure to implement sound management practice results in enormous losses. On the other side of the equation, despite the large number of statistics produced, there is a shortage of reliable information on how the real needs of patients are going to be met. For example:

1. Waiting lists. There is no agreed standard on how to calculate a waiting list, and little effort to manage hospital services in such a way that the numbers on the waiting list are reduced as quickly as possible.

2. There are inadequate records for a hospital authority to decide on the priorities in the allocation of both its capital budget and its manpower between the different kind of needs within the community for health care.

3. Although we are now pledged to strengthening preventive medicine, we do not seem to have put much flesh on the bones of this policy. We need to explain more how we are going to encourage better diet, reduction in smoking, use of vaccines and screening to catch health problems early in their development.

In summary, we need to use some specific ammunition in arguing our case about the need for cost reductions, and we should

launch the idea of a patients' charter which illustrates the range and type of health care a patient deserves and should have access to, and acts as a standard by which the different District Health Authorities will be judged in the delivery of their service. By shifting the argument to the more positive features of the delivery of health care, we would do the Health Service and ourselves a great service.

JOHN REDWOOD