Effects of NHS reorganisation on teaching and research

Discussion about the future arrangements for teaching and research can usefully be set in the context of the National Health Service as a public institution. The third paragraph of the Prime Minister's foreword to 'Working for Patients' provides a framework. It reads:

> The National Health Service will continue to be available to all, regardless of income, and to be financed mainly out of general taxation.

Where an institution is so financed it is placed firmly in the political arena, with all that that implies. One such implication is that Government must take a view of how it wishes to see such an institution operate. The Government's commitment, in paragraph 4.30 of the White Paper, 'to maintaining the quality of medical education and research' is an essential part of the overall view. It is also a logical necessity, because without quality in those areas, management structures become irrelevant.

Some people looking at the White Paper have argued that the attitudes of the market must inevitably put financial pressure on the cost of long-term goods like teaching and research. It is understandable that 'worst case' scenarios should emerge when there is still uncertainty ahead. But I see the worst case as the limiting case, at the end of a range of outcomes. If it is disastrous it is in no one's interest to embrace it, and we must work towards some other outcome compatible with the philosophy of the White Paper. If the philosophy is rejected then the issue ceases to be one of administration and inevitably becomes political.

The Steering Group on Undergraduate Medical and Dental Education has been operating within this framework, to identify workable approaches. This takes time, and every element of the new system will not emerge fully fledged on 1 April 1991. Evolution will happen, and so will assessment, as we gain experience of new ways of tackling relationships within the NHS, and between the NHS and the universities.

The NHS and Community Care Bill is now before Parliament. It is useful to remind ourselves of some of the things that it does, and does not, propose.

For a start, it does not affect the Secretary of State's existing duty to provide the facilities for teaching and research. But it proposes for NHS Trusts explicit powers in respect of training (the term the Bill uses) and research. Trusts with major teaching and research functions will have those functions included in their establishing orders.

Next, it proposes that the Secretary of State should have a power of direction which could be used to ensure that NHS Trusts play their full part in making available the facilities *he* is obliged to provide. It also proposes that one of the non-executive directors on Teaching Trusts should be drawn from a university or a medical or dental school.

Finally, the Bill will *not* affect present arrangements for the payment of the Service Increment for Teaching (SIFT); for knock-for-knock; or for other collaborative arrangements between teaching hospitals and universities. But it will allow similar arrangements to be made with NHS Trusts. The Steering Group has been active in developing understanding of these areas, and in proposing some ways of handling the practicalities more effectively.

SIFT, in particular, has required close attention. The Government has agreed that the coverage of SIFT should be increased from the previous level of 75% to meet, on average, 100% of the excess service costs of undergraduate teaching hospitals. This means that the excess cost of research in these hospitals will be explicitly funded for the first time. In real terms this alone will lead to an increase of £5.7 million in medical SIFT from April. But, overall, medical and dental SIFT will be increased in cash terms by a total of £26 million, to £343 million, from April this year. SIFT will be reviewed again as we approach 1992 and better information becomes available. The Steering Group has devised new guidance for distribution of SIFT which should mean that clearly identified money travels much closer to the points where the costs are actually incurred than has previously been the case. The guidance also acknowledges the weight of research and gives universities a major role in the allocation process.

This method of distributing SIFT will make it even more important that effective mechanisms for collaboration between the NHS and universities are put in place. The Steering Group has addressed this issue in some detail and has proposed ten principles which should guide people in both institutions and help them to direct change if that proves necessary. These have recently been promulgated, illustrated by some organisational models which the two sides might like to adopt, or adapt to meet their own circumstances.

The future of knock-for-knock has been another source of anxiety. Contrary to some opinions, the Government has not proposed the ending of this arrangement. At the same time, it seems inevitable that better information systems will lead to expenditure being more clearly identified, defined and quantified. That is not something to fear. Better information should allow both sides to make better decisions about how to use their resources. The Steering Group is currently

examining this issue, building on the foundation provided by a study of the operation of knock-for-knock in Southampton.

Finally, research. The points about the Bill apply equally to the security of research. The increase in SIFT is designed to secure that the excess service cost of research in teaching hospitals will be met. The Secretary of State for Health has promised to consider how best to meet similar costs in non-teaching locations, and work is in hand on this.

The Government recently announced its intention to create the post of Chief of Research and Development (CRD) within the Department of Health. The CRD will be the Secretary of State's chief adviser on his responsibilities and interest in research and will advise across the *whole* range of the Department's work, including—but not only—that part covered by the NHS Management Executive. This recognises the Government's view that among other things research is a crucial aspect of the NHS. The intention behind the new appointment is to improve the contribution which research makes to the development both of policy and of practice.

The Government is committed to maintaining and improving education and research as integral parts of the NHS. There is substance behind this commitment. What is rarely available is complete assurance that 'all shall be well and all manner of thing shall be well'. Such a guarantee cannot be given nor expected. However, it is important to recall that education and research are not moving from a trouble-free world into chaos, but rather from a familiar set of problems to some which are less familiar but which may offer fresh opportunities. The challenge is to recognise that, and to make the most of the opportunities which always accompany change, for improving the approach to teaching and research. That is certainly how Ministers intend that the Department of Health should respond.

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LETTERS TO THE EDITOR

Readers are reminded that, from July 1990 onwards, selected letters to editor will be published in the Journal