

flexibility, the degree of local discretion, and the extent to which regions will have to hold the ring to prevent a potentially harmful "bidding up" of the price of scarce professional skills. But the determination to devolve pay seems clear and has been forcefully confirmed in the white paper. Ministers seem to be determined to get the department out of the arena of pay determination over the next two years and this creates greater doubt about the future of the Whitley councils.

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One further important development occurred when general manager posts were taken out of Whitley pay negotiations for a separate settlement that included an important element of performance related pay determined at regional and district levels. Now this is being extended to a further 7000 posts at the next level of management with individual performance review and performance related pay. The growth of this trend in pay determination also undermines the Whitley pay bargaining structure.

This analysis of change in the national framework of pay determination is reinforced by the pay and conditions arrangements to be provided for self governing hospitals. Trustees are to be allowed to set their own pay and conditions for newly appointed staff; specifically they will be free "either to continue to follow national agreements or to adopt partly or wholly differing arrangements." There is, however, a constraint on the employment of junior doctors whose posts, states the white paper, "will continue to need the approval of the relevant royal college for training purposes."

Trusts free to employ own consultants

Trusts are to be free to employ their own consultants on either a whole time or a part time basis and the NHS review seems to go out of its way to confirm that employment conditions need not be the same as those determined within the present pay review body. It almost goes without saying that managers in self governing hospitals will be paid on the performance related pay principle. "Performance related contracts of employment will similarly provide strong incentives for hospital managers to improve the quantity and quality of the services on offer."

It is the self governing hospitals and their freedom to determine pay and conditions that will act as the catalyst in bringing to an end the present national structure of pay determination in the NHS. A shortage among NHS professional staff already exists in the south east and is growing yearly. Several London teaching hospitals could not reopen clinical facilities even if money was provided because of the inability to recruit nurses and other key groups of scarce staff. Self governing hospitals would be free of restrictive Whitley conditions not just on pay but on the whole range of employment conditions such as the standard working week, the length of holidays, etc. That freedom would allow these hospitals to shape contracts that would be more attractive to scarce staff and so would start a migration of staff that would force the other major London hospitals to move quickly for self governing status in order to obtain similar freedoms.

For example, within the context of a hospital budget it would be inexpensive to make a major pay offer to the few intensive care and theatre sisters with the right

qualifications needed to develop and expand major surgical services. This recruitment would be at the expense of neighbouring hospitals in London and would in turn prevent them from being able to offer a sufficient volume of NHS provision. The growth in waiting lists that this would entail would automatically push the "business" towards the self governing hospitals that had recruited the staff to take on the extra volume. Thus major hospitals that were not self governing would face either gradual decline or the prospect of following suit. Where staff is genuinely scarce and becoming scarcer competition for survival would be more ruthless. Where there were no major difficulties in obtaining staff the transition to the new régime would be far more gentle.

Response from general practitioners crucial

What could undermine this analysis would be the nature of the response from general practitioners and the public. If those patients needing cold surgery in the south east were prepared to travel to the midlands and the north and if general practitioners were prepared to send them because the costs were lower the strength of competitive pricing would put a curb on the ruthlessness of labour competition in London and the south east. If the geographical range of choice turns out to be much more limited this analysis of the impact of staff shortages is more relevant.

One further section on the future pay and conditions structure in the review offers more general hope. The government states its wish "to give local managers greater flexibility to determine the conditions of service of NHS staff . . . to enable them to devise employment packages that are most suited to local needs." In conditions of growing labour market scarcity the NHS as a public service can never hope to compete with the private sector on grounds of pay alone. The best hope for the future for any hospital wishing to make its staff less susceptible to higher pay elsewhere is to give them the opportunity to establish personal employment packages that are wholly flexible on matters of hours, holidays, superannuation, etc. Staff whose employers are prepared to tailor such packages are much more likely to stay and for longer. This is clearly going to be a developing service in authorities and self governing hospitals alike. But the offer of such personal packages to staff could be undertaken only if those staff were able to opt out of virtually all the terms and conditions of existing Whitley council agreements. This is as strong a reason as any for believing that the existing Whitley council framework cannot survive the introduction of the proposed changes.

Finally, in the famous teletext on 31 January a senior civil servant answered a question about the pay freedoms of self governing hospitals by referring to some vague wider framework within which they would operate. By contrast the Secretary of State continued to refer, in different ways, to the disciplines of competition. The battle over, the wider pay freedom of self governing hospitals may not yet be over.

Secretaries of State for Health, Wales, Northern Ireland, and Scotland. *Working for patients*. London: HMSO, 1989. (Cmnd 555.)

Correction

Dialysis for acute renal failure due to crush injuries after the Armenian earthquake

The authors of this paper (18 February, p 443), Dr N T Richards and others, omitted to mention that the renal unit at Charing Cross Hospital, London, donated equipment that was sent to Armenia and has remained there.