



# LEADER

## Less Money — Lower Standards of Care?

Treasurers, just after the general election, started putting warning shots across the bows of regional and area teams. They suggested that the year was becoming difficult financially. Added to that warning the present government has now opened the books of local authority and health service spending and matched the allocation of cash for continuing the year with its general election mandate of cutting costs in the public sector. Some of the likely effects are now becoming known. All authorities have had to meet some of the cost of certain pay awards. These can be lessened in the ancillaries award, it is stated, by a reduction in manpower and overtime.

This is a reversal of the policy of about five years ago. At that time managements were encouraged to arrange overtime because those same workers were earning wages that were so below proper subsistence level they were claiming supplementary money.

One thing about being a manager is that nearly all the national policies one works to have been reversed at some time over the last ten years. Other worrying features include the high cost of fuel, light and power, medical and surgical equipment, especially disposable products. The drugs bill is another figure difficult to control.

Most authorities need one per cent growth in their budgets to stand still. The reasons include choice of new drugs, different approaches to surgical, medical and investigating procedures, and other uncontrollable professional developments. For many authorities, both this year and next, the growth money is lower than this standstill point. Therefore, a reduction in the service is inevitable.

Does the overspending syndrome appear familiar? Yes, it was in 1975/76 when it was first met in this form. But there are differences. Then, turnover of staff in many parts of the country became exceptionally low.

The effects of this action were forecast by nurse managers. Fewer trained staff in three years time. Future ward sisters, tutors, clinical teachers, district nurses, midwives and health visitors would not be there. And, of course, the prophecy has turned out to be true. I would suggest, however, that there is a difference this time. Any authority having to reduce costs now will have to be prepared to continue the reduction permanently. In this situation it is easy as far as decision-making is concerned to reduce the staffing budget overall by the amount required. But surely this is the time to take a new look at organisation?

Approximately 70 per cent of revenue is spent on staff and 30 per cent on non-staff heads. Because it is often more difficult to tackle the non-staff heads, it is the staff cuts that are considered first, creating havoc for the coming years. This is where those staff at the patient level of care can tell, if allowed to do so, what is being wasted. Do all the blood tests need to be taken as a routine? Do all tests taken on out-patients need to be repeated when the patient becomes an in-patient? The budget for disposable items has risen out of all proportion to the general cost of living because of the petrol base for these products. Yet it is generally true that if staff are allowed to control their own budget personally they become more responsible. Why not ask each nursing officer to become a budget holder? One of the first things that would no doubt be done would be to mark the price on each product. Staff would become much more cost conscious.

The staffing budgets do have to be reviewed. There is great resistance from staff to begin earlier in the morning or work slightly later in the evening. There are, of course, transport problems and safety factors. All these have to be seriously considered. If they exist, can they be solved? If they can, then major changes can maybe take place and money be saved.

However, *Nursing Focus* invites you to comment on the policy of the DHSS and its likely effects on patient care services. Also, give us your own ideas on how nurse managers should go about this task. What are you doing in your hospital or community? This journal is in existence to provide a medium whereby managers can communicate with each other and contribute to the total management knowledge of us all.

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This edition reaches you at the very beginning of December but, nevertheless, the Editors, the staff and the Editorial Board at *Nursing Focus*, would like to take this opportunity of wishing you a very Happy Christmas.

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Consultant Editor