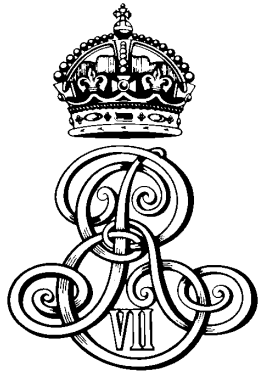
The KING'S FUND yesterday, today and tomorrow



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The KING'S FUND yesterday, today and tomorrow

King Edward's Hospital Fund for London

It is customary for the Fund's General Council to invite two speakers to talk about aspects of the Fund's work at its general meeting. On 6 June 1986, the first meeting to be held under the Presidency of HRH The Prince of Wales, the subject was the Fund itself. This booklet contains talks given by Lindsay Granshaw, historian of twentieth century medicine at the Wellcome Institute, London, who spoke on the Fund's early years and its development; and by Robert Maxwell, Secretary of the Fund, on its work today and in the future.

"IN THE QUEEN'S NAME."

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The early years and historical development of the Fund

LINDSAY GRANSHAW

OPPOSITE: Cartoon from *Punch*, 1897.

Those who set up the Prince of Wales's Hospital Fund in 1897 would have been very happy to see that once again the Prince of Wales is the President of their Fund. However they would have been surprised to see how the Fund has changed over the past 90 years. What was it set up to achieve and what happened to change its direction?

During Queen Victoria's reign, many hospitals were set up in London. In fact, there was a House of Lords inquiry in the 1890s into whether there were too many and, if so, what should be done about it. Hospitals had not simply been established where and when needed. They were set up haphazardly by groups of benefactors or by doctors who wished to run their own institutions. Hospitals at this time did not take in people from all classes. They were supposed to treat only the 'deserving poor.' Labourers and their families, who made up the patient population, did not pay for treatment. Hospitals were supported by donations from subscribers.

It was one thing to have so many hospitals while Britain was flourishing. By the 1890s, though, there were economic problems. Even the large teaching hospitals like Bart's and Guy's began to run into difficulties. It seemed to some people that action needed to be taken. There was no coordinated planning among London hospitals: some people might say that that is still the case. All of them were competing for benefactors, patients and staff.

Planning was what Henry Burdett wanted to introduce. Burdett was the driving force in setting up the new Fund. He thought that money should be raised systematically for worthy hospitals, but he also believed that the Fund had the duty to plan hospital provision

and to encourage efficiency.

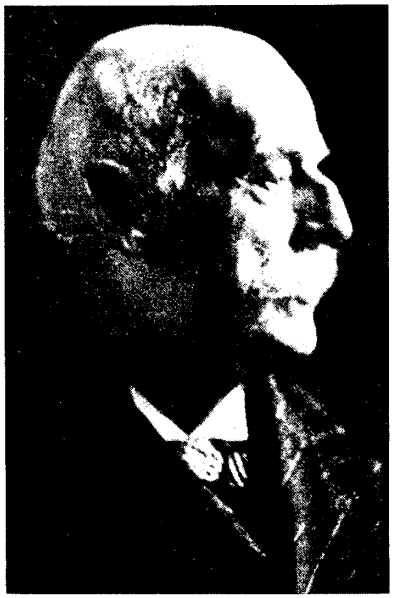
He was concerned that most of the hospitals were north of the river where the gentry lived and that there were few to the south, even though more and more of the labouring classes were congregating there.

Queen Victoria's golden jubilee had been a great success. The popular celebrations of her diamond jubilee were now harnessed to create the Fund. The Prince of Wales agreed to head the new venture. He did not simply head it, he put great energy into its success.

Fund raising at all levels in society began in earnest. A letter in The Times from the Prince started it all. The Fund was portrayed as a lifeboat coming to the rescue of stricken London hospitals. Donations poured in. People were encouraged to give small amounts, too. Fund raising stamps were issued to those who could afford only a few shillings. Within a year the Fund had raised £250,000. The Fund's grants were in immediate demand, not only for the money but also for the mark of approval that they gave to hospitals.

The Fund was not simply going to dispense money. From the first it attached strings to its grants. It sent two visitors, one lay and one medical, to all hospitals seeking grants. These visitors assessed efficiency and order in the hospitals and made it clear if they were not satisfied.

The Fund quickly defined some guiding principles, ideas that were almost unprecedented in laissez-faire London. Burdett believed that there were too many small specialist hospitals, draining resources from more worthy institutions. The Fund put pressure on them to close or



Sir Henry Charles Burdett (1847–1920)

to merge. St Mark's, now an internationally renowned centre, was on their hit list. Fortunately for St Mark's, later visitors thought more highly of it.

The Fund was also keen to see hospitals in populous – not simply fashionable – places. Perhaps its main success here was to encourage the removal of King's College Hospital from near the Strand to Denmark Hill. Edward VII then presided over its reopening.

King Edward VII laying the foundation stone of the new King's College Hospital

Another of the Fund's concerns was the welfare of nurses in hospitals, an interest which persists to the present day. When it gave grants for buildings it insisted that the nurses should be looked after. Nurses' bedrooms and sitting rooms were to be spacious and well-appointed.

If the Fund was raising money for hospitals it was to help the poor. It was increasingly worried, therefore, that hospital charity was being abused by those who could afford to pay a general practitioner (the GPs also were not too happy about this).

By the first world war, however, the demand for hospital treatment even among the lower middle classes was growing. The King's Fund recognised that this was a potential source of income for the hospitals and bowed to popular pressure. It allowed hospitals to set aside special rooms for patients who paid.

Things were changing in health care, however. From 1911, some workers became eligible for national insurance and could be treated by a panel of approved doctors. This did not necessarily work out as planned because panel doctors were always notoriously in a hurry, but it was at least something. However, the scheme did not cover hospitals, and hospitals were becoming very important. The number of operations was rising rapidly and all sorts of investigations, such as x-ray examinations, were now being carried out in hospital. Even the middle classes were beginning to consider using hospitals rather than be operated on at home on kitchen tables with fainting butlers holding lamps.

 The King's Fund responded. It helped to set up the Hospital Saving

The sisters' and nurses' sitting room, Great Northern Hospital, August 1912

Association just after the first world war. People could contribute every week, and when they needed hospital admission the HSA would cover them. Payments from the HSA helped the hospitals to hobble along until the late 1930s.

However, the voluntary system was cracking. In 1933 the Secretary of the King's Fund received a representative from Guy's who pleaded on his knees for £100,000 to bail his hospital out. If Guy's had come to that, what of the other hospitals? At the same time there was talk of comprehensive health care. The depression of the 1930s put this firmly on the national agenda. It was agreed by 1939, by the King's Fund as much as by others, that hospitals needed state help. But they did not want to promise anything in return. There should be no strings attached to the help, even though they had lived with the Fund's demands for 40 years.

During the second world war the hospitals came to rely on government aid, and some cooperation was forced upon them. As the war drew to a close, hospital consultants began to recognise that they could not go back. Aneurin Bevan was a clever negotiator. As Minister of Health after Labour came to power in 1945 he harnessed support from the hospitals to push through the plan for a national health service. Reluctantly accepting the hospitals' need for government support, the King's Fund helped to shape the new system.

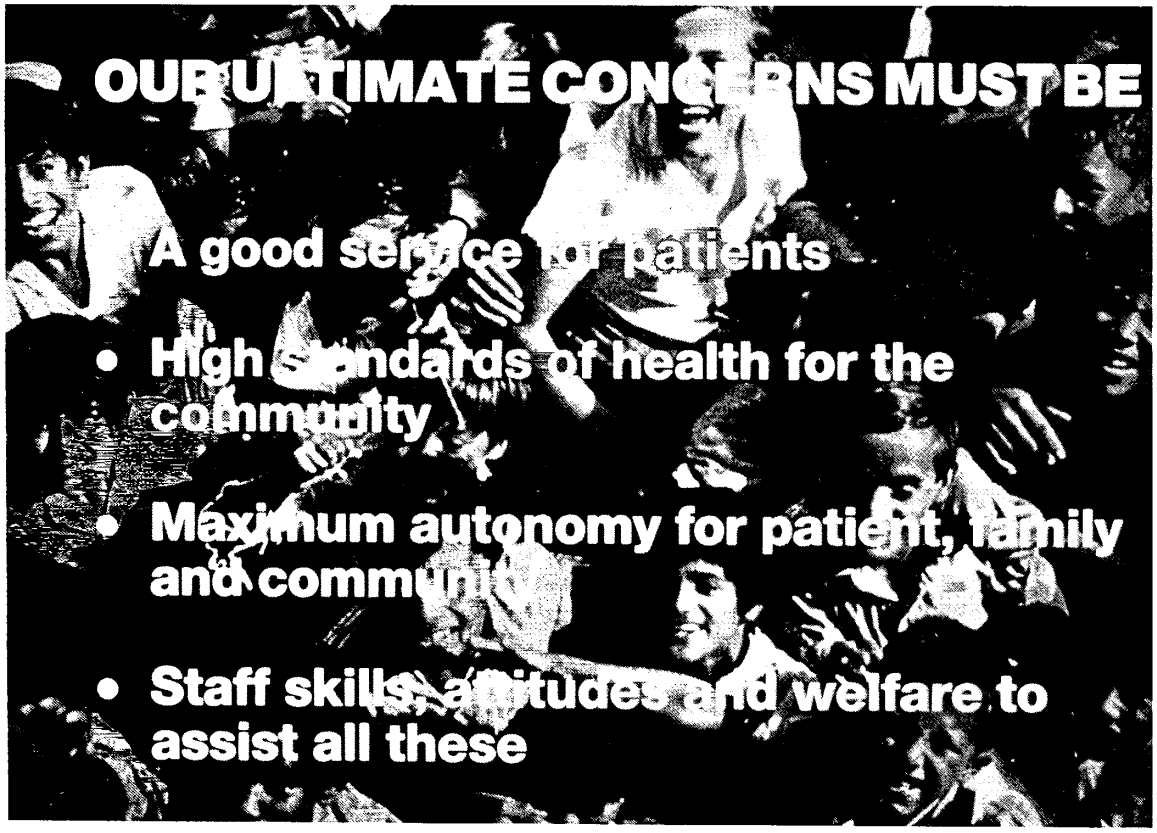
Its part was ironic. The future of the Fund itself was now in question. In 1948 hospitals became the property and responsibility of the Minister of Health. What was the King's Fund to do? Long before the health service it had acted in some way as a ministry of health,

OPPOSITE: Aneurin Bevan addressing hunger marchers, Trafalgar Square 1935

monitoring, financing, and urging efficiency and coordination through projects like the emergency bed service. The Ministry of Health now took away its very purpose.

For some time the Fund was at sea, but then it discovered new directions, in some sense overseeing the NHS itself. It tried to improve patient care through training nurses and teaching staff, and it was concerned, too, to reduce the impersonal nature of the modern hospital. It went further in the 1960s and tried to develop and draw together the best ideas on what the health service could be.

Now crisis once more looms over the London hospitals as the NHS faces new cash problems. Once again the King's Fund finds itself reassessing the part it can play in promoting the health of hospitals and health care.


OUR ULTIMATE CONCERNS MUST BE
A good service for patients
• High standards of health for the community
• Maximum autonomy for patient, family and community
• Staff skills, attitudes and welfare to assist all these

The Fund today and tomorrow

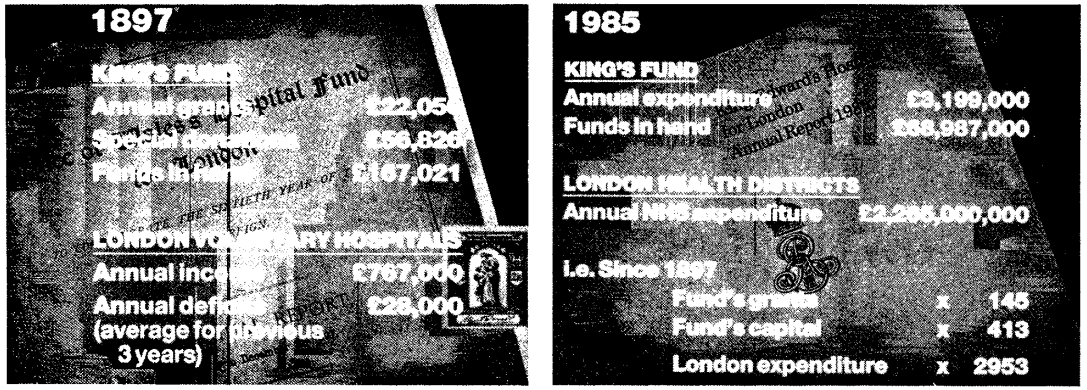
ROBERT MAXWELL

The first annual report of the Fund in 1897 shows that it had made grants of £22,000. It also, because it was the diamond jubilee year, made special grants of another £57,000, but without any promise that those would be continued. At the end of the year it had £167,000 in hand.

So far as I can estimate, with the help of Dr Geoffrey Rivett, and, through him, with the help of Sir Henry Burdett's records, the London voluntary hospitals – remembering that the municipal hospitals were not the affair of the King's Fund – had had an annual income of £767,000 in the previous three years on average. The annual deficits of the hospitals, so far as I can estimate, were £28,000. It looks therefore as though the annual grants of the King's Fund in 1897 were not far short of the annual deficits of all the London voluntary hospitals at that time. The very specific task that the Fund was set up to perform of helping the London voluntary hospitals to meet their deficits appeared to be well within its grasp.

An equivalent picture today from the 1985 annual report is an expenditure by the Fund from its own sources of £3.2 million and funds in hand of £69 million. Annual health service expenditure of the London health districts and associated general practitioner services is about £2.3 billion. In other words, the Fund's grants have risen by a factor of 145 and its capital by about 400 times; but the expenditure of the hospital and allied organisations that we seek to assist has risen 3,000 times. Although the Fund has done extremely well in terms of growth of capital and growth in grants, the costs of the field that we are trying to help have far outstripped it. There are two main reasons

for this. One is that it no longer seemed sensible to think of particular, relatively privileged, London hospitals as our total target, as distinct from all the services that surround and contain them. That is, perhaps, the principal factor. The other is that medicine has changed so much. A hospital today is very different, and is enormously more complex, and enormously more expensive. So the target that we are trying to help has been transformed.



The Fund's target

The question of whether or not the Fund is solely concerned with London is one of continuing interpretation. Our purposes of trust state quite clearly that we are here to help the hospitals of London, individually and severally, and to do anything else that, in the judgment of the President and General Council, is supportive of that

general purpose. That is where I draw the idea of a target – the centre of which has to be London, not simply its hospitals but its health services. Beyond that we have to consider many of the things that we do – such as management development, exchange of professional practice, the new Institute and the attempts to influence national health policy – in a context broader than London alone. We cannot confine ourselves to the boundaries of London, even though, as we saw from the expenditure figures, London alone would be a formidable enough task.

What we are concerned about in the end is people. That must have been what was in the mind of the Prince of Wales. First, we must be concerned about a good service for patients. Secondly, we must be concerned about a high standard of health for the community, because a good service for particular patients, important as that is, has to be seen within the broader context of others who could be helped now and in the future, and of the things that can be done to prevent ill health developing.

The third concern is maximum autonomy for the patient, the family and the community. It seems to be very much in the spirit of the founders of the Fund, and the intentions of the Prince of Wales, that our accent should be upon helping the family and the community to choose. Of course, they must have professional help, but one of the continuing themes throughout the history of the Fund has been that it has tried to hold a balance between responsible public opinion and responsible professional opinion. It is not an easy balance, and it is not always easy to judge what is professional and what is responsible.

Finally, we must be concerned with the welfare and morale of everyone working in the service in order to help those whom they serve in their turn.

The Fund's activities

The key activities of the Fund today, its main services, give rise to two comments. First, any one of them could be stopped. We could not stop it tomorrow, but we could do so over time. It is a matter of choice. Secondly, with the new Institute, the Centre and the College we have three different, complementary markets.

The first market – that of the Centre – is those who work in the service and those who are in direct contact with patients. The handicapped themselves and their families, for example, are as much the concern of the Centre as those who work professionally in the service.

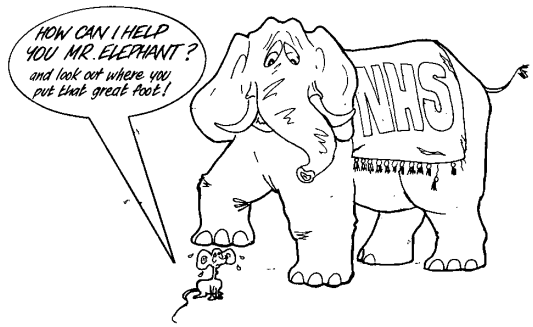
The College is concerned particularly with those who manage the service, not only through coming to the College but through the things that the Faculty does out there in about one third of the districts in the National Health Service.

The Institute faces towards Government and politicians, and those who mould public opinion on health policy.

Other activities take the form of projects. None is sacrosanct and we can, over a period of time, finish any one of them. We must be prepared to do that in order to pick up new challenges as they arise. Most of our current portfolio of six projects are quite young. Only one, the long term and community care team, goes back to 1970, and four (the London programme, quality assurance programme, informal caring support unit and the task force on health and ethnic

minorities) date from 1980 or later. I think it is true to say that four of the six are particularly concerned with people, people who in one way or another lack good service. The other two – quality assurance and education and training – are important as means towards good standards of care and are also quite difficult areas, hence justifying their selection.

ISSUES OF SIZE AND SCALE



We need to be aware of the question of size and scale. We are tiny in relation to the National Health Service, and yet we are concerned not only with the NHS but with the whole range of health and social services, including the independent, non-profit sector of health and social service provision, and the statutory personal social services. So it is an enormous lumbering creature with which we deal. How can we, so small, have some influence?

We can do a certain amount by increasing the scale of our activity

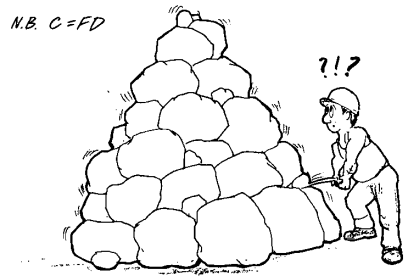
and we have done quite a lot of that recently. However this increased activity has depended on attracting outside funding and the question must be asked how far should we continue to extend our activity while trying to retain a truly independent financial base. Over the past five years the Fund's income from its own resources has risen by 50 per cent, yet our total expenditure has risen twofold. This has been possible because the College, the Centre and our projects have drawn in money from outside. Today we pay for about 60 per cent of the £5 million or so that our services cost, so we are not far off the point where barely more than half the scale of activity we support is paid for by the Fund's money.

Of course, money is not the main thing. People connected with the Fund but outside it, are part of the independent networks that are one of our main non-financial resources. Nevertheless, there has to be a limit to the number of initiatives we can take at any time without going beyond our strength. For the moment we may be quite near that limit.

There is then the question of where we put our small amount of financial and other influence. What projects and issues do we pick? There are so many things that we could try to influence. Leverage is force times the direction in which the lever is exerted. It gives much more power to move heavy things than simple brute strength. Our brute strength is quite small, but our leverage can be quite great if we exert it where it really can have effect. Where it can have effect is not a matter of science so much as of art.

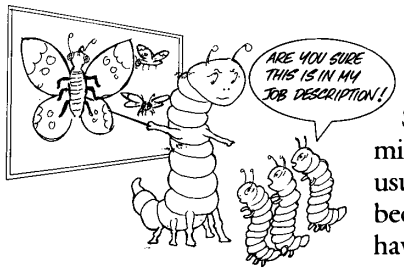
One of the key questions for the Fund now and for the future is

ISSUES OF CHOICE AND LEVERAGE



whether the variety of our activities – the College, the Centre, the Institute, each project, grant making – are simply good in themselves, driving towards specific, defined targets, or whether together they add up to something more than the sum of the parts. I suspect that people in the Fund are by now bored with my constant raising of this question and my attempts to get better cross-links among us. Against the background of the small scale of our resources, and the questions of choice and leverage, it is crucial that two plus two equals a lot more than four or, possibly, five.

ISSUES OF STAFF DEVELOPMENT AND ORGANISATIONAL LEARNING



Staff development and organisational learning are uppermost in our minds. Most of the people at the Fund work on short-term contracts, usually for three years. That is a formula we feel the Fund has to use because of our need to be able to change direction. The staff so far have accepted that with good grace and a good heart, but it puts upon us a particular responsibility to see that we do not simply exploit them for the short period that they are with us, but that they have an opportunity to grow and develop so that they go on with their careers in a true sense. What is more, the whole organisation, seen against the background that Dr Granshaw and I have tried to describe, is one where the organisation itself has to be able to learn to adapt, to grow and to develop. I do not know of any organisations in the world that do that terribly well. But that is what we have to try to do.

Illustrating the point of our independence is difficult; perhaps the early cartoon which appears at the beginning of Dr Granshaw's text is still apposite, although it is a bit nostalgic. The point, however, is still tremendously important to the Fund's role and its future. It is one of the few truly independent organisations around. It would be easy to maintain that independence. But the independence is there to be used, which means that, as we increase our scale of activity, for example by drawing in money from elsewhere, and by taking on a more complicated and fuller range of activity, we have to balance the arguments for doing so against the arguments for staying small enough to be truly independent.

Our independence is there to be used in another way. The Fund must not simply do things that are uncontroversial and safe. The only justification for its independence and for its privilege and relative wealth, is if its independence is used in areas that are difficult and controversial. I do not need to say that to Thelma Golding and her team as they move into the area of health and race. If we use the Fund's independence in controversial issues of that kind we do so because it is our trust. But we should be alive to the fact that the going will be tricky.

In conclusion, the Fund must never become too comfortable or set in its ways. Leverage and selectivity are crucial. We therefore need constantly to question where our limited intervention can do most good, while recognising that activities have to be sustained over a sufficient period to have worthwhile impact. We now have in the Fund, and

connected with it externally, as talented a group as ever in our history. Within the family of the Fund we have institutions (College, Centre and Institute) that can together have substantially more influence than the sum of their parts. It is up to us all to help put these assets to good use.

'...the support benefit or extension of the hospitals of London or some or any of them (whether for the general or any specific purposes of such hospitals) and to do all such things as may be incidental or conducive to the attainment of the foregoing objects.'

From the Fund's 1907 Act of Incorporation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