

Medicine becomes a liability

London

THE University of London's strength in medicine may bring financial disaster to its colleges, as government reforms to the National Health Service (NHS) and to research funding take effect, university officials say.

The university now attracts 40 per cent of the UK medical research charities' spending in the universities and its eight undergraduate medical schools train one third of Britain's new medicine doctors. But the government's plan to make hospitals operate like businesses, selling their services to local district health authorities, could eventually lead to London's expensive teaching hospitals losing patients, with some even sliding towards bankruptcy.

Under the NHS "internal market" introduced on 1 April, British hospitals must for the first time charge the full cost of the treatment they provide to the health authorities that send them patients. The health authorities have fixed budgets, and can choose to send their patients to the hospitals that offer the best value.

The problem for the University of London teaching hospitals is that their services are likely to be uncompetitive, as running a hospital in the centre of an expensive city increases costs. The worry is that health authorities that have sent patients into the centre of London may now turn to other hospitals in southeast England offering a cheaper service.

Sir Colin Dollery, dean of London's Royal Postgraduate Medical School and formerly chairman of the medical committee of the Universities Funding Council (UFC), fears that at least one of the London teaching hospitals could be critically short of patients within five years. The UFC might then have to think again about funding the medical schools linked to these hospitals, says Dollery, because a steady supply of patients is vital for teaching.

Many medical academics believe that the closure of some of London's medical schools is a good idea, if the students could be accommodated elsewhere. Sir Peter Swinnerton-Dyer, who stepped down as chief executive of the UFC last month, agrees that there is a case for shifting some medical education away from London. But he says he is worried that a patient- and cash-starved teaching hospital could do untold financial damage to one of London's colleges before any decisions are made — if, for instance, a college was tempted to pump more money into its medical school, in an attempt to maintain teaching standards.

Medical schools and teaching hospitals are, in theory, funded separately. But university-employed academics may spend much of the time treating patients, and NHS-employed hospital staff also help with teaching. The idea is that these factors balance out and that neither universities nor the NHS

lose financially.

But Derek Roberts, provost of University College London (UCL), which is linked to two teaching hospitals, believes that financial difficulties in the NHS have already caused UCL to lose out, because academics have been forced to take on more and more of the burden of caring for patients.

A second worry for the University of London is the burden of overhead costs associated with the huge number of projects at the university funded by the medical research charities.

From 1992–93, the government aims to transfer some £100 million a year to the research councils from the £800-million-plus research budget of the UFC, in order to cover the indirect costs (administrative costs, telephone bills, library costs and the like) of research council-funded projects in the universities. The goal is for the research councils to take over responsibility for all the indirect costs of their projects, apart from the salaries of permanent academic staff, and the costs of running university buildings.

But the money from the UFC has also been used to pay overheads on charity-funded projects. And Peter Griffiths, clerk to the court of the University of London, says the transfer of £100 million to the research councils will place a crippling financial burden on London, which receives a disproportionately high share of its research grant income from the charities.

The charities spend more on university medical research than the Medical Research Council. London, with its concentration of medical schools, received £63 million from the research charities in 1989–90, outstripping its £55 million income from the five research councils. Most universities receive far more from the research councils than from the charities.

When the transfer from the UFC to the research councils was first announced, the medical research charities feared that they would be forced to pick up the overhead bill for the projects they support (see *Nature* 343, 199; 1990).

But Diana Garnham, from the Association of Medical Research Charities (AMRC), says the AMRC is now satisfied that the indirect costs of charity-funded projects can be met from elsewhere in the UFC's research budget. London should distribute its research money more selectively, she says, so that the best departments — where most charity grants are awarded — receive the most UFC money.

But David Bowles, vice-provost of UCL, maintains that the AMRC's assessment is "arithmetically incorrect" in London's case.

Even now, UCL loses 37 pence for every pound it receives from the charities, says Bowles, because the funds earmarked by the UFC to cover research overheads are inadequate.

Peter Aldhous

French minister clears Zagury

Washington

AIDS researcher Daniel Zagury, who has conducted a variety of vaccine studies during the past couple of years, has been cleared of charges that he acted without the approval of the appropriate ethics committees in France. Allegations that Zagury injected candidate vaccines into people without the permission of ethics committees were levelled by reporter John Crewdson of the *Chicago Tribune*, who also accused US researchers whose materials Zagury used of failure to get proper approval from the US National Institutes of Health. That allegation is being investigated by an NIH ethics body which has not yet reported its findings.

However, as to Zagury's work in France, French authorities concluded that "legislative texts, procedures, and recommendations of ethical committees have been respected" and that Zagury's experiments were approved by the national government as well as the Hôpital Saint Antoine in Paris where he works.

Barbara J. Culliton

ZOOLOGICAL GARDENS

London's ark runs aground

London

THE fate of London Zoo remains in doubt after the Department of the Environment last week refused to underwrite a £30 million rescue package to avert the zoo's imminent closure and cover its £2 million annual deficit as well as some future development. The money would also have been used to carry out long-overdue maintenance of nine listed buildings at the zoo required by the terms of its lease, which is from the Department of the Environment.

The zoo is taking a pragmatic view of the rebuttal, however, and says it regards discussions with the government as ongoing. Another meeting is scheduled for the end of the month. The zoo is run by the Zoological Society of London, whose research branch, the Institute of Zoology, is effectively immune from the financial problems at the zoo. The institute received £1.3 million of government funding through the University of London in the financial year 1989–1990, plus £793,000 from various other research bodies.

Meanwhile, speculation is rife about what will happen to the central London site and its 8,000 animals. A transformation into a centre for conservation education with the relocation of the larger animals to the more spacious Whipsnade Zoo, 35 miles away, has been debated. But rumours of a wholesale move of London Zoo itself are "a complete red herring", according to the zoo.

Henry Gee