a variety of strategies to tackle the problem, but the root cause lies in the constraints imposed on budgets for management. There are only two ways of increasing resources: by merging with a neighbouring group or by becoming a primary care trust and thus acquiring additional staff and greater control over the budget. However, neither of these is likely to solve the underlying problem since both will generate additional demands on management.

There is no evidence that economies of scale will be derived from increases in size beyond 100 000 people, and the additional responsibilities of managing services and dealing with hospitals will mean that any additional management resource will soon be used up. Furthermore, both mergers and the transition to trust status generate additional demands in terms of managing the process of organisational change among staff and stakeholders. What little evidence is available on the costs of management indicates that these are likely to be much higher than £5 per person. Using evidence from evaluations of the total purchasing pilot scheme, under which groups of practices controlled the total budget for hospital and community services, management costs have been estimated to be in the region of £17 to £18 per person, a detailed study of the likely costs of managing one primary care trust estimated them to be around £11 per person.

There is continuing tension between centralised policy and management and local autonomy and initiative. Over the past decade, successive governments have grappled with the problem of how to devolve decision making to frontline health professionals while retaining control over NHS policy and managing performance. Primary care groups and trusts were promoted as putting local health professionals “in the driving seat” to develop services that would reflect local health need to empower frontline staff has been reflected in an increasing number of central directives and are looking to becoming trusts as a way of reclaiming autonomy. If, as seems likely, there is an underlying agenda of performance targets, many have begun to introduce changes designed to deliver these improvements, there is a danger that the demands of managing complex mergers, preparing to become a trust, and managing the inevitable upheavals that will follow, will divert attention from the real business of raising quality standards, improving access to services, building partnerships, and improving health.

Funding: The national tracker survey is funded by the Department of Health and carried out by the National Primary Care Research and Development Centre in collaboration with the King’s Fund.

Competing interests: None declared.

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