



meeting	JOINT CITY/COUNTY HEALTH SCRUTINY COMMITTEE	
date	14 th DECEMBER 2004	agenda item number

Report of the Chair of the Joint Health Scrutiny Committee

COMPARISON OF BUDGETS OF NOTTINGHAMSHIRE PRIMARY CARE TRUSTS

Purpose of the Report

1. The purpose of the report is to highlight comparative budgets between all of Nottinghamshire's eight Primary Care Trusts based on figures released by the Department of Health.

Background

2. As part of a separate scrutiny review, it was indicated to Members that Nottinghamshire has historically suffered underfunding in health spending over several decades. This report is an attempt to look into the current state of health funding in Nottinghamshire.

Context

3. In the year to April 2003, around 15% of Government's spending – around £65 billion - was on the NHS. This amounted to about £1,100 for every person in the UK. However, it has been suggested that historically Nottinghamshire has been under-funded in terms of health. The purpose of this paper is to investigate this proposition.
4. The Wanless Review reported that the UK spent less of its national wealth on health in comparison to many similar countries. The review recommended an increase in funding to enable the NHS to respond to developments such as new treatments, an ageing population and higher expectations from patients.

Methodology

5. Over 98% of funding is on local hospital, community and GP services. Around 80% goes directly to Primary Care Trusts so it is proposed to

use this element to analyse funding in Nottinghamshire. A formula is used to assess funding based on factors such as population, age, ill health etc. However PCTs do not receive this amount. They get an actual amount based on historic funding levels. The difference between the formula and the actual amount is known as the distance from target (DFT)

DFT Levels in Nottinghamshire 2003/04

6. The following table shows the distance from target levels in Nottinghamshire (the closing composite baseline for 2003/04 is included to show the approximate size of the actual PCT budget:

Primary Care Trust	Closing Composite Baseline 2003/04	Percentage above or below Target 2003/04	2003/04 Allocations (+ = above; - = below)
Ashfield	£72.3m	-12.8%	-£10.6m
Bassetlaw	£94.6m	-8.2%	-£8.4m
Broxtowe & Hucknall	£111.1m	+1.2%	+£1.5m
Gedling	£85.7m	+2.9%	+£2.4m
Mansfield	£89.8m	-6.5%	-£6.2m
Newark & Sherwood	£106.5m	-4.5%	-£5.0m
Nottingham	£292.7m	-2.1%	-£6.3m
Rushcliffe	£100.0m	+12.7%	+£11.2m

(Source: Department of Health Unified Exposition Book)

Summary of Funding Levels in Nottinghamshire 2003/04

Total Amount Above Allocation	£15.1m
Total Below Allocation	£36.5m
Net Funding Difference	-£21.4m

7. By this methodology it can be seen that Nottinghamshire received £21.4m less than it would have received if it had been receiving the target amount. The Department of Health is working towards each PCT receiving its target figure but it is thought that 2010 is the earliest that this can be achieved.
8. There seems to be a strong correlation between the level of health inequalities and funding levels. PCTs with allocations over target tend to serve relatively well off areas, while those under target are likely to have more deprived populations. Rushcliffe is number 8 in the list of PCTs with allocations above target for 2003/04. The top ten is as follows:

1. Westminster (+31.1%)
 2. Richmond and Twickenham (+18.8%)
 3. Cambridge City (+17.7%)
 4. Kensington and Chelsea (+16.5%)
 5. Wandsworth (14.5%)
 6. Oxford City (14.5%)
 7. Trafford South (+12.8%)
 8. Rushcliffe (12.7%)
 9. St Albans and Harpenden (+12.1%)
 10. Sheffield South West (+11.8%)
9. The bottom ten is as follows:
1. Easington (-20.2%)
 2. Tendring (-15.0%)
 3. Knowsley (-14.9%)
 4. Barking and Dagenham (-14.7%)
 5. Ashfield (-12.8%)
 6. North Liverpool (-12.5%)
 7. Central Liverpool (-10.6%)
 8. Heart of Birmingham (-10.6%)
 9. Tower Hamlets (-10.0%)
 10. Basildon (-9.0%)
10. Using a standard measure of deprivation, the ten most over target have an average rank of 85 out of 304 PCTs. In contrast the ten PCTs most under target have an average deprivation ranking of 272 out of 304.
11. PCTs under target tend to have fewer GPs. The ten PCTs in the top ten table have an average of 5.7 GPs for every 10,000 residents whilst the bottom ten have an average of only 4.8 GPs per 10,000 residents.

Challenge to Statistics

12. Rushcliffe PCT was contacted for comments on the figures. They state that the figures are a new way of reporting local health funding and previously the south of the county had been considered as an area of under-funding. Not much is known about how the figures are calculated but it takes into account resident, rather than registered, population and Rushcliffe has a greater registered population. A representative of Rushcliffe PCT has been invited to attend the meeting to discuss the statistics.

Informing Local MPs

13. This report was discussed by the County Council's Health Select Committee at its meeting on 26th October 2004. Following a discussion, it was agreed to send a copy of this report to all Nottinghamshire MPs.

RECOMMENDATION

14. It is recommended that:

the Joint Health Committee discusses the issues in the report.

Cllr Jim Napier

Chair of the Joint Health Select Committee

Background Papers:

Department of Health Unified Exposition Book