

Appendix - Additional information on NHS Financial Sustainability provided by NHS Eastern and Coastal Kent.

1. At the end of the meeting of the Committee meeting on 25 March, Members agreed that further information on the following five areas would be useful for their inquiry into NHS Financial Sustainability. The additional information supplied by Bill Jones, Acting Director of Finance at NHS Eastern and Coastal Kent, follows each point. In addition, the 2011/12 Department of Health exposition book was attached. This is a large spreadsheet and is available to Members on request*.

2. Further information supplied:

1. Details around the per capita aspect of PCT allocations;

The 2011/12 exposition book is attached*, saved on the 'Allocations' tab. This shows, inter alia, the Difference From Target (DFT – columns L and M) – this being how far each PCT is from exactly matching the most recent funding formula.

There are also a number of non-recurrent allocations shown on the same tab. These are usually funded on a recurrent basis, but not included in the formula. Column AC shows the total allocation per weighted head of population - £1,725 in East and £1,499 in West Kent.

The "Unified" tab shows different weightings, and the preceding 4 tabs show how these weightings are derived. You will see it is extremely complex, and there isn't a specific "deprivation" formula as such.

2. Clarity around the future number of GPCCs, as well as their geographic coverage

We currently have 9 in East Kent – 6 of which are pathfinders. There is some discussion of the number reducing to 5, but there is also a view of there just being a single one. Most probable at present is 5 – Ashford; Canterbury; Dover, Deal & Shepway as one and Swale and Thanet.

3. Further information around how areas of severe deprivation impacted the allocations received by commissioners;

Please refer to the third paragraph of the response to point 1.

4. Further detail around running cost comparisons between organisations; and

This is complicated and we still await guidance on what running costs targets will be in 2011/12. We had to report actuals for 2010/11 in our annual accounts, these are currently being audited. The Department of Health gave us the definition for those accounts. For East Kent the total running costs per weighted head of population was £39 (this is 2.26% of total allocations). We are currently calculating the forecast for 2011/12 based on the same definitions. It will be somewhat lower because costs would have been much higher at the beginning of 2010/11 and lower at the end as staff numbers and other savings were made during the course of the year. I understand West Kent returned the same figure of £39 in their accounts (to be confirmed).

The NHS Operating Framework for 2011/12 stated that GPCC running costs would be between £25 and £35 per head of weighted population.

5. Granularity concerning the possible legacy debts which could accrue to GPCC.

At present there is no legacy debt (i.e. negative financial values) in East Kent that will accrue to GPCC. This is because the PCT has delivered against its statutory and other financial duties. My understanding is that this also applies in West Kent. There is a legacy document that we are pulling together – this includes a section on 'Organisational Assets and Liabilities' which requires information on:

- Physical assets of the organisation, including estate, equipment (including computers), information systems, software, etc.
- Contracts for support (as opposed to healthcare) services.