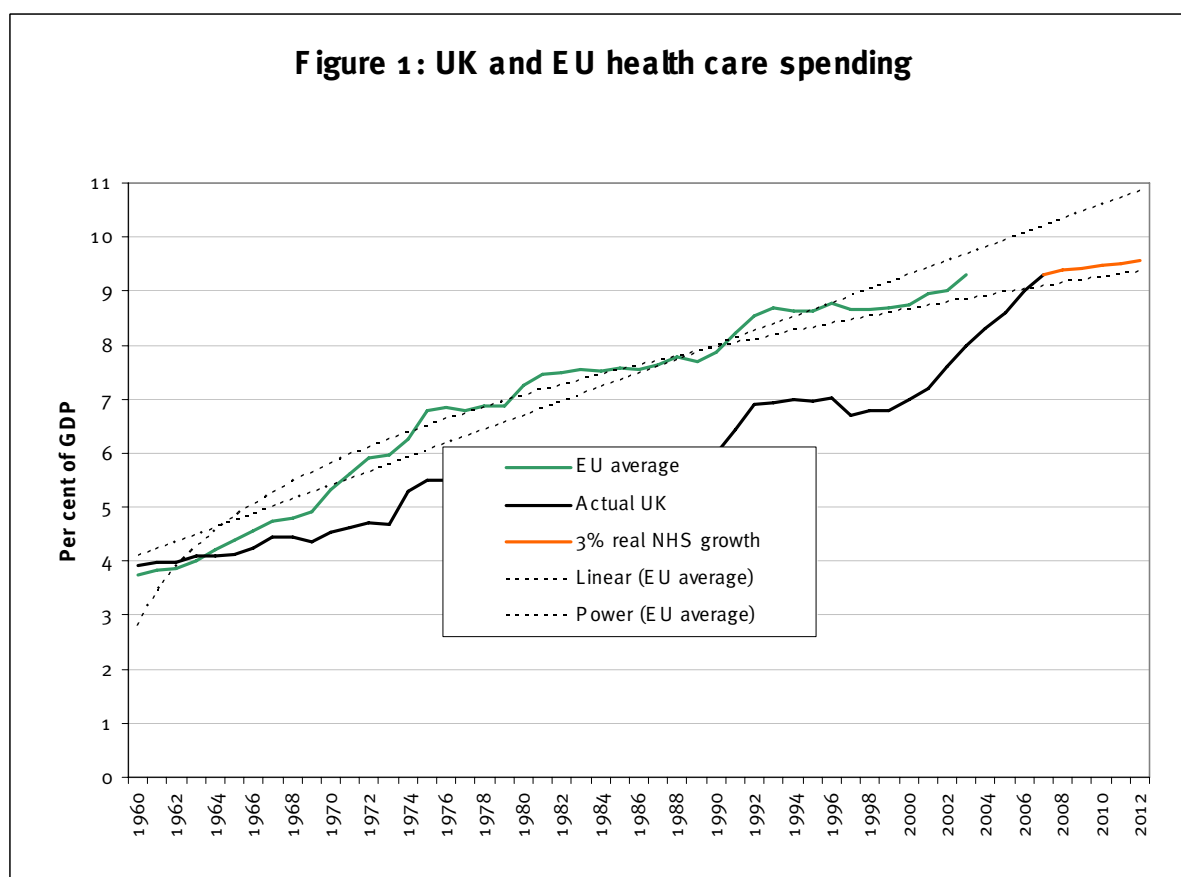


## Health and ten years of Labour government

### KEY FACTS

#### Funding

- For Labour's period in government, annual growth has been an average of 6.6 per cent, well above the historical trend. Between 1949/50 and 1999/2000 annual spending on the NHS increased by an average of 3.4 per cent in real terms.



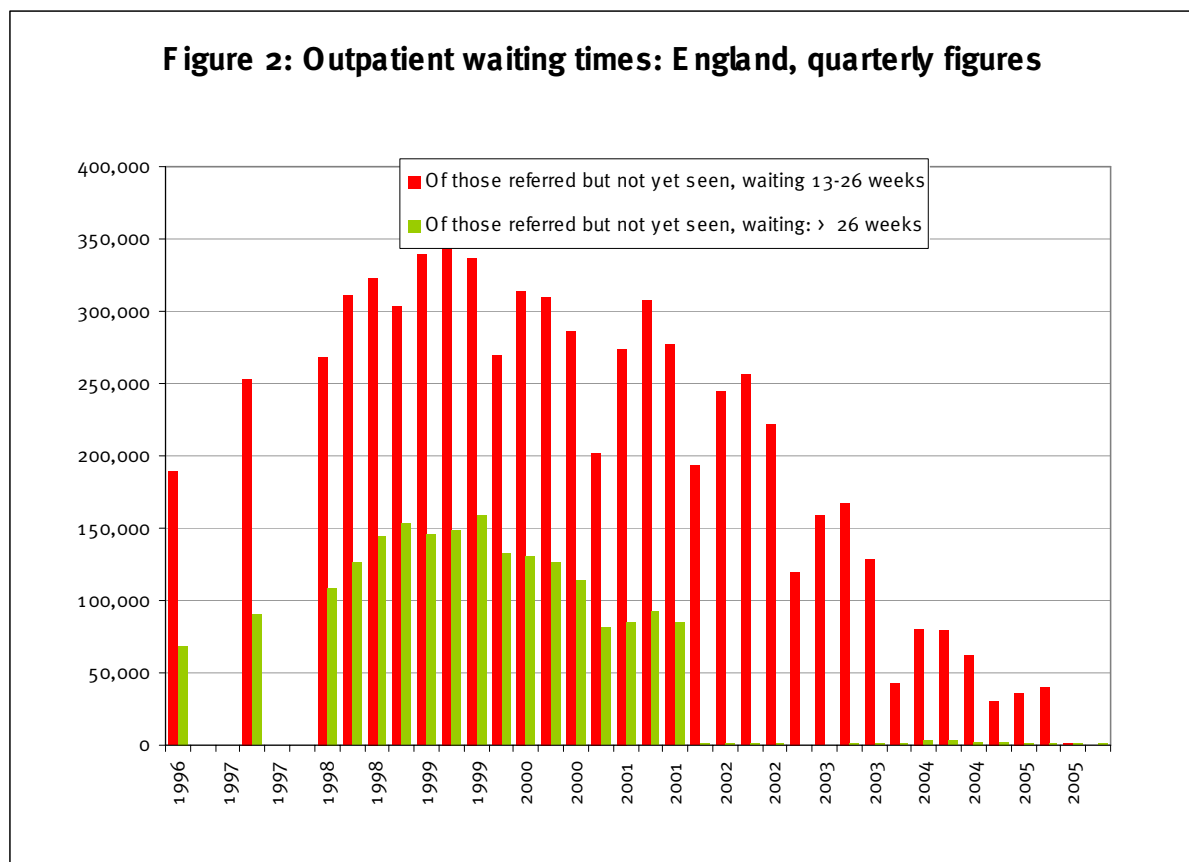
- By 2005/6, UK health spending had caught up with the projected EU-15 average for that year. (see Figure 1, King's Fund analysis of OECD and UK government data).

## Financial management

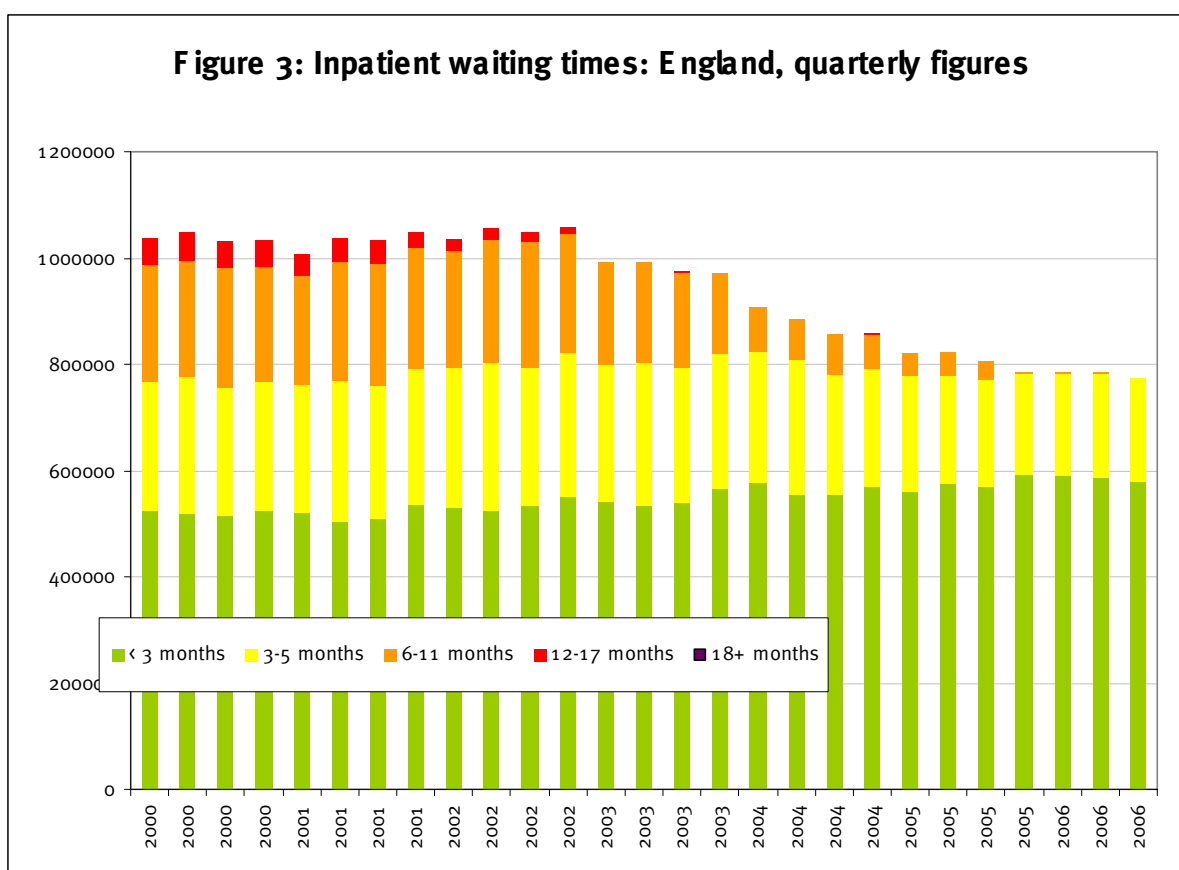
- In 2004/5 the NHS reported its first net deficit since 1999/2000 (National Audit Office 2006).
- The Healthcare Commission found that 37 per cent of trusts had failed to manage their finances adequately for the year to 31 March 2006 (Healthcare Commission 2007) .
- The latest figures (quarter 3 2006/7) show 35 per cent of NHS organisations are forecasting a deficit for 2006/7 with a forecast *gross* deficit exceeding £1 billion (Department of Health 2007a).
- The service as a whole is forecasting a small *net* surplus of £13 million (Department of Health 2007a).

## Waiting times

- Outpatient waits reduced from 6+ months in 2000 to 3 months by the end of 2005, hitting the target set in the 2000 NHS Plan. Progress has been sustained into 2007 (Department of Health 2007b).



- Inpatient waits reduced from 17+ months in 2000 to 6 months by the end of 2005 hitting the target set in the 2000 NHS Plan. Progress has been sustained into 2007 (Department of Health 2007b).



- A new target was set in 2004, to reduce by 2008 the wait from GP referral to treatment, including previously 'hidden' waits for diagnostics and referrals between consultants. At the end of 2006, 35 per cent of patients were treated within 18 weeks of GP referral (*18 Week Baseline Exercise*).
- The 2000 NHS Plan stated that by 2004 all patients attending accident and emergency departments should be treated, discharged or admitted within four hours of arrival by 2004. This was adjusted in 2003 to state that the target should be met in 98 per cent of cases by January 2005. The target was almost met, with 97 per cent of patients being seen in this time in the quarter January – March 2005. Data for the end of 2006 demonstrate that this proportion has been sustained (Department of Health 2007c).

## Staff

- In 2006 there were 80,000 more nurses employed by the NHS than in 1997(25 per cent increase); 11,000 more consultants (53 per cent increase); and 6,000 more GPs (20 per cent increase) (Information Centre for Health and Social Care 2007).
- Full-time equivalent measure shows similar rises : 26 per cent for nurses; 56 per cent for consultants; 20 per cent for GPs (Information Centre for Health and Social Care 2007).
- Staffing levels in some areas, such as midwifery, have remained almost unchanged since 1997 (Information Centre for Health and Social Care 2007).
- The number of doctors per 1,000 population in the UK is still the lowest of all EU-15 countries, although the gap has reduced since 1999 (OECD 2006).

- The new contract for NHS consultants has resulted in pay increasing by 27 per cent in three years – from an average of £86,746 per annum in 2002/3 to £109,974 in 2005/6 (National Audit Office 2007). There has been no further increase in the proportion of time consultants spend working in the private sector, but there has been a slight reduction in the proportion of time consultants dedicate to clinical care for NHS patients (National Audit Office 2007).
- GP earnings increased by 30 per cent in the year after the introduction of a new contract, with average net income reaching £106,400 per annum in 2004/5 (Information Centre for Health and Social Care 2006).
- Nurses' pay increased by 10 per cent between 2004, when the new national pay system Agenda for Change came into effect, and 2006 – from a gross average of £11.54 an hour to £12.74 an hour (Pike and Williams 2006).

## Buildings

- The government is set to meet its 2000 NHS Plan target of 100 new hospital buildings by 2010. At February 2007 84 new hospitals were in operation, 25 were under construction and a further 7 PFI schemes had been given approval to proceed. The total value of these hospital programmes is £9.4 billion (Department of Health 2007d).
- Since 2001, 109 primary care facilities have been built, funded by the Local Improvement Finance Trust (LIFT) – the public–private partnerships for primary care buildings. A further 79 LIFT schemes are under construction. The total value of the LIFT schemes is £1.2 billion (Department of Health 2007d).

## National standards

- From 1999 National Service Frameworks (NSF), nationally agreed standards designed to drive up the quality of services locally, have been created in the following areas: mental health, coronary heart disease, cancer, paediatric intensive care, older people, diabetes, long-term conditions, renal, children, and chronic obstructive pulmonary disorder (COPD). An independent review of the cancer NSF in 2005 found that there had been 'substantial progress' but that more work was needed to improve local co-operation between NHS organisations (NAO 2005).
- The National Institute for Health and Clinical Excellence (NICE) was set up in 1999 to evaluate and generate guidance on the cost effectiveness of new treatments and procedures for the NHS. NICE is acknowledged nationally and internationally as an important source of evidence-based guidance, but there has been criticism concerning the patchy local implementation of its recommendations (Audit Commission 2005) and the lack of transparency in some areas of its work (Maynard 2007).
- The Healthcare Commission (established after the abolition of the Commission for Health Improvement in 2004) is the national regulator assessing quality of health care. It is able to intervene where there are major concerns over quality and to carry out routine inspections of trusts and also publishes information about the performance of local NHS services.

## Health and illness

Targets have been in place since 1998 to reduce premature deaths from cancer and heart disease by 2010, and according to the most recent figures the government is on course to meet them (*see box*). But deaths from both cancer and heart disease have been falling at similar rates since 1971 (Office for National Statistics 2006).

Target	Progress
Cancer: reduce mortality by 20 per cent by 2010 for people under 75 (1995 baseline)	15.7 per cent drop so far, rates have fallen for each period since the baseline. Target is likely to be met if the current trend continues
Heart disease, stroke: 40 per cent drop by 2010 for people under 75 (1995 baseline)	35.9 per cent drop so far, rates have fallen for each period since. Target is likely to be met if the current trend continues

(Department of Health 2006b)

- The degree of progress in mental health – the third of the government's clinical priorities alongside cancer and heart disease – has been less certain. The government set a target, in 1999, of reducing the death rate from suicide (1995/6/7 baseline) by 20 per cent by 2010. While the rate is dropping, and is now in fact at an all-time low, there is some doubt whether the target will be achieved (Department of Health 2006b)
- There has been steady, but slow, progress in reducing the rate of smoking in the population since 1997, with the 2005 target (of a fall in smoking rate from 28 per cent to 26 per cent in the adult population) already met and the 2010 target on track. However, there has been less progress in reducing the higher rate of smoking among poorer socio-economic groups (Department of Health 2006b)
- By contrast, the trend in obesity has moved steadily upwards, for both adults and children, raising concern about the increased risk of cancer, diabetes and heart disease. A target was set in 2004 to halt the year-on-year rise in childhood obesity by 2010, which looks very challenging indeed (Zaninotto *et al* 2006). There has been some limited progress in increasing the amount of fruit and vegetables in the diet (the average of just under four portions for adults and three for children is still below the government's recommended level of 'five portions a day' (Information Centre for Health and Social Care 2005)) and while the proportion of adults taking 30 minutes of exercise five times a week has risen slightly from 1997 (Information Centre for Health and Social Care 2005), the target of 70 per cent of adults is still looking very challenging.

## Health inequalities

- The government is not on course to meet its targets to narrow the gaps in life expectancy and in infant mortality that exist between the bottom socio-economic groups and the rest of the population.
- Although the national averages (for longer life expectancy and reducing infant mortality) have been improving, for infant mortality the gap between 'routine and manual' groups and the rest of the population has widened since the baseline years (1997-9) (Department of Health 2006b). Similarly, the gap in life expectancy between the poorest areas (known as the Spearhead group) and the rest of the country has grown for both men and women since the baseline years (Department of Health 2006b).
- Progress to reduce inequalities in the death rate from heart disease (and related illnesses) and cancer is on course. For example, the gap in death rates for cancer in the most deprived areas in England (Spearhead areas) has reduced by 12.7 per cent since the baseline (1995-97), compared to the required target reduction of at least 6 per cent by 2009-11 (Department of Health 2006b).

## NHS reform

- 'Patient choice at the point of referral' has been in place since January 2006, when patients being referred for a non-urgent outpatient appointment should have been offered a choice of four or five

hospitals. However, there are questions about how it is being implemented – for example, in January 2007 more than half of patients could not remember their GP offering them a choice of hospital (Department of Health 2007e).

- Payment by Results now applies to about 60 per cent of hospital income, but according to data up to 2004/5, it had not had a major impact on hospital activity and had neither a positive nor a negative effect on the quality of hospital services (Sussex *et al* 2007).
- By February 2007, 96 per cent of practices had engaged in an initial planning stage of the practice-based commissioning initiative in return for an incentive payment (Department of Health 2007f) but as yet concrete examples of actual savings realised from these plans are limited (Department of Health 2007g).
- The number of ‘finished consultant episodes’ performed by centrally procured independent sector treatment centres (ISTCs) was 67,928 in 2004/5 (Hansard 2006). In the same period, there were 5,446,000 finished consultant episodes for ‘elective’ procedures performed in the NHS as a whole (Department of Health 2006a) (that is, slightly over 1 per cent were performed by the ISTCs). The quality of care provided in ISTCs is currently the subject of review by the Healthcare Commission.

## Hospital-acquired infection

- The latest MRSA bloodstream infection figures show that there were 1542 cases reported in England from October to December 2006, down 7 per cent on the previous quarter. There were 55,681 cases of Clostridium difficile infections in patients aged 65 and over in England in 2006, representing an annual increase in reported infections of 8 per cent compared to 2005, but this is smaller than the 17 per cent rise between 2004 and 2005 (Health Protection Agency Press Release 26/04/07).

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