Reviewer's report

Title: Characteristics of Primary Care Trusts in financial deficit and surplus - a comparative study in the English NHS

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Reviewer: Sheena S Asthana

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General

This paper concerns a highly topical area, that of NHS deficits. However, although a lot of media attention has been given to the implications of budget shortfalls for cuts in services, little attention has been paid to the fact that some PCTs are more likely to be in deficit than others. As the authors quite rightly point out, there is instead a tendency to dismiss financial deficits as a problem of financial mismanagement at individual trust level. As this paper, like a recent letter in the British Medical Journal (Asthana and Gibson, BMJ 2005; 331:1472), suggests, the distinct geographical patterning of deficits and surpluses makes it very unlikely that poor financial management is the cause of financial difficulty.

In contrast to the Asthana and Gibson analysis, which examined risk of deficit by deprivation, rurality and resource allocation for the whole sample of English PCTs (for which data were available), this paper has sought to compare PCTs in greatest deficit with those in greatest financial surplus. This allows the authors to examine associations with risk of deficit and a larger range of variables (including performance and staffing profile and primary and secondary activity). This broader study largely confirms the results of the previous analysis – that deficit PCTs are more likely to serve relatively affluent and rural areas and to receive lower per capita funding allocations than surplus PCTs. However, it also offers additional insights such as the higher work pressures experienced by staff in deficit PCTs, the higher proportion of dispensing GPs and the fact that, although they receive less funding per capita, deficit PCTs have a higher rate of finished consultant episodes.

The conclusions drawn in the paper are also important but could perhaps be stated more forcefully. As the authors imply, the current resource allocation formula responds well to the higher relative needs of urban populations. Yet, it is generally agreed that the NHS (and particularly hospital services which account for the greater proportion of NHS expenditure) has relatively little to contribute towards the reduction of health inequalities compared to other sources of variation such as income distribution, education and so on. Thus, the targeting of additional services at urban deprived populations is likely to be an ineffective response to health inequalities. It is one, moreover, that introduces a new form of inequity by underestimating the needs of rural populations. These issues have been previously raised in critiques of the resource allocation formula. The authors could, at their discretion, refer to such literature in order to be less hesitant in their conclusions.

In summary, the paper provides a simple and straightforward analysis of key differences between deficit and surplus PCTs. Its rationale and conclusions are sound. The implications of the findings may not be immediately obvious to readers but point to a need to critically review the way in which NHS resources are currently allocated. The authors present the paper as a preliminary study. As such, it is of sufficiently standard for publication. I think that it is important that results such as these are made more widely available. They demonstrate that the financial plight experienced by many PCTs may stem from factors well beyond their control.
Major Compulsory Revisions (that the author must respond to before a decision on publication can be reached)

Minor Essential Revisions (such as missing labels on figures, or the wrong use of a term, which the author can be trusted to correct)

Discretionary Revisions (which the author can choose to ignore)

What next?: Accept after discretionary revisions

Level of interest: An article of importance in its field

Quality of written English: Acceptable

Statistical review: No