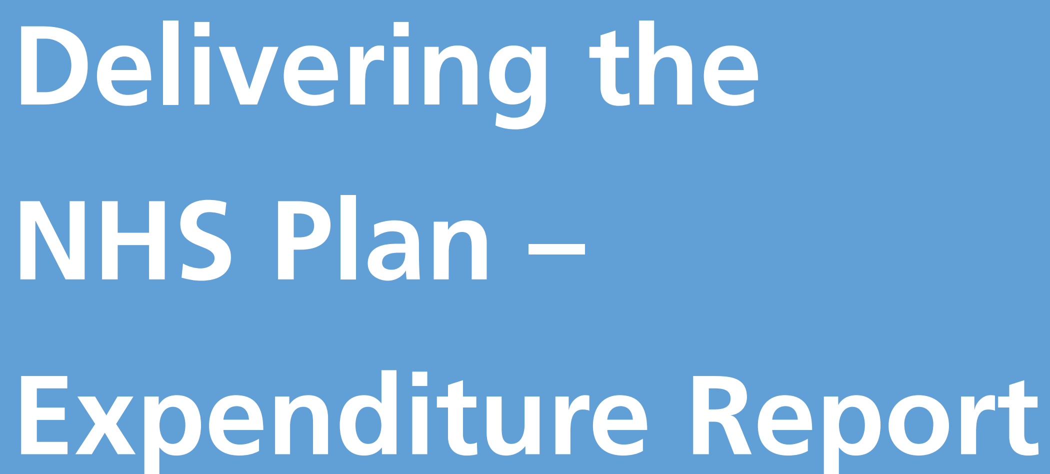
NHS



April 2003

Delivering the NHS Plan – Expenditure Report

Contents

	Introduction	**3**
Chapter 1	**NHS Expenditure**	**4**
Chapter 2	**Investment in 2002–03**	**7**
	2.1 Where the money has been spent	7
	2.2 Improving Access and Quality of Services	8
	2.3 Investing for the Future	10
	2.4 Pay Increases to Recruit and Retain staff	13
	2.5 Price Rises	14
	2.6 Efficiency	14
Chapter 3	**Impact of Extra Spending on Patient Care in 2002/03**	**15**
Chapter 4	**Planned Investment in 2003–04**	**20**
	4.1 Where the money will be spent	20
	4.2 Improvement in access and quality	20
	4.3 Investment for the Future	21
	4.4 Investment in Pay	21
	4.5 Price rises, clinical negligence and other costs	22
	4.6 Impact on patient care	23
Chapter 5	**Planned Investment by 2008**	**24**
	5.1 Expenditure	24
	5.2 Benefits	24

Introduction

In 2002–03 NHS spending will reach almost £54.5 billion, an increase of £5.2 billion from 2001–02.

This report provides an outline of overall NHS expenditure and demonstrates:

i) how the extra investment has been spent in 2002–03 and how it is planned to be spent in 2003–04;

ii) the improvements that are being delivered as a result of the extra investment.

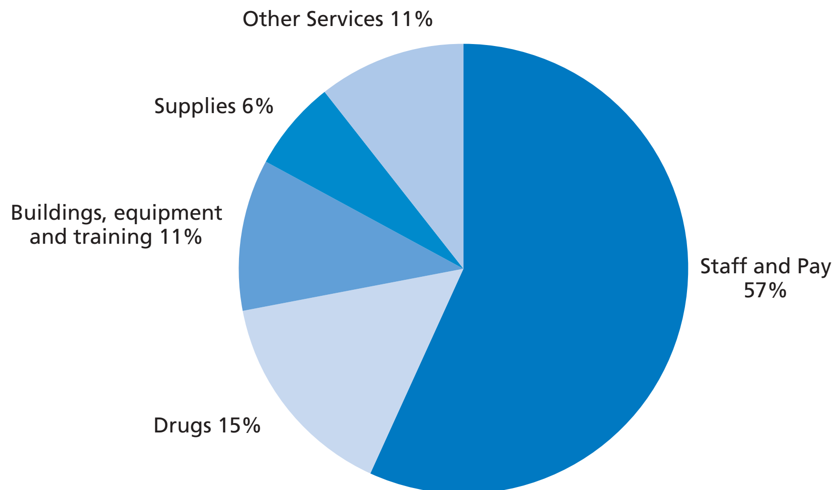
1

NHS Expenditure

1.1 Chart one provides a high level breakdown of NHS expenditure. The NHS is a labour intensive service organisation employing some 1.3 million staff. As a result around 55% of total expenditure (almost 60% of revenue expenditure) is accounted for by staff costs. After staff the largest single element of cost is prescribing with drug costs taking up around 15% of spend with each patient on average receiving 11 prescriptions per year. Investment for the future in buildings, infrastructure, training and research accounts for 11% of spend, as do other services (mainly utilities) and clinical negligence. Finally, the balance is made up of spend on general and medical supplies and services such as medical equipment, bandages, catering, cleaning etc. Over time we are seeing, and expect to see, a shift in the balance of spend with an increasing proportion accounted for by:

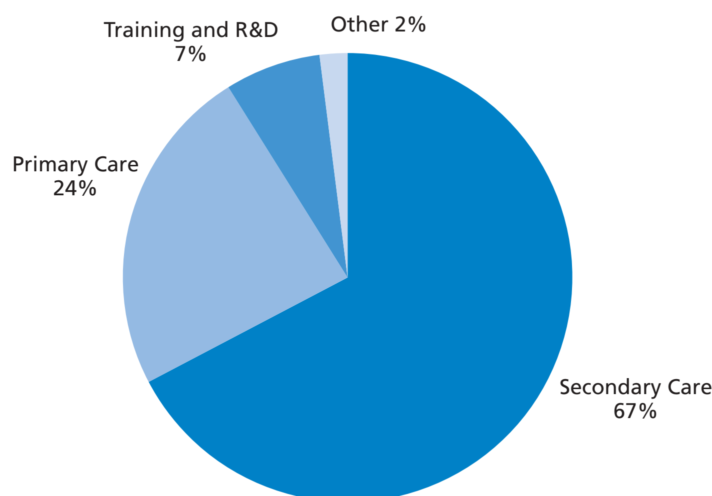
- Investment for the future as the NHS both builds capacity for increasing volumes of activity and lays down the IT and other infrastructure to support modern service delivery;
- Prescribing, as new and more effective drugs become available helping to improve health and prevent hospital admission.

Chart 1: Breakdown of NHS expenditure in 2002–03 (Total £54.5bn)



1.2 The NHS is sometimes portrayed as a "hospital service" with a focus only on activity in the hospital sector. This is fundamentally misleading. As chart two shows although spend in the hospital sector accounts for around two thirds of the total it does not tell the whole story. A quarter of spend is in primary care, with each of us on average visiting our family doctor five times a year. We expect to see a further shift in spend towards primary care, as more and more activity that has been undertaken in hospitals is moved closer to the patient's home and delivered through primary care.

Chart 2: Breakdown of NHS expenditure in 2002–03 (Total £54.5bn)



1.3 Each year, on average each person:

- receives 11 prescriptions;
- visits a GP 5 times; and
- attends an outpatient clinic once.

In addition:

- one in three of us visits an A&E clinic; and
- one in five of us is admitted to hospital.

1.4 The cost of the services provided varies according to complexity but figure two below gives some examples.

Figure Two: Examples of the cost of NHS Services

Attendances:	**£**
GP consultation	20
GP home visit	65
Emergency ambulance attendance	200
Attendance at A&E Department	70
Attendance at outpatient clinic	100
Admission to hospital	1,300
Common operations:	
Cataract	670
Hip replacement	4,500
Knee replacement	4,800
Coronary bypass	9,000
Cardiac valve	12,500
Hernia	1,400
Kidney transplant	14,900
Other Services:	
Cost of having a baby	2,500
Chemotherapy for breast cancer	4,800
Annual cost of treating Alzheimer's	1,500
Full range of childhood immunisations	120
Childhood leukaemia	29,000
Annual cost of schizophrenia	12,000

2

Investment in 2002–03[1]

2.1 Where the money has been spent

2.1.1 Total spending in 2002–03 will approach £55 billion; a cash increase on 2001–02 of more than 10%.

2.1.2 In summary this extra cash has been used to:

i) **improve access and quality of services**. More than £2.2 billion of the increase has been used to employ additional staff, increase prescribing and purchase more goods and services. Approximately £1.3 billion was spent on additional staff and £850 million on increased prescribing. As a result hospital inpatient activity will increase by 4.5% and outpatient activity by 2.5%. The number of prescriptions will rise by nearly 30 million (5%). This will be accompanied by significant reductions in waiting times across the NHS and improved quality and outcomes in priority areas (section 2.2);

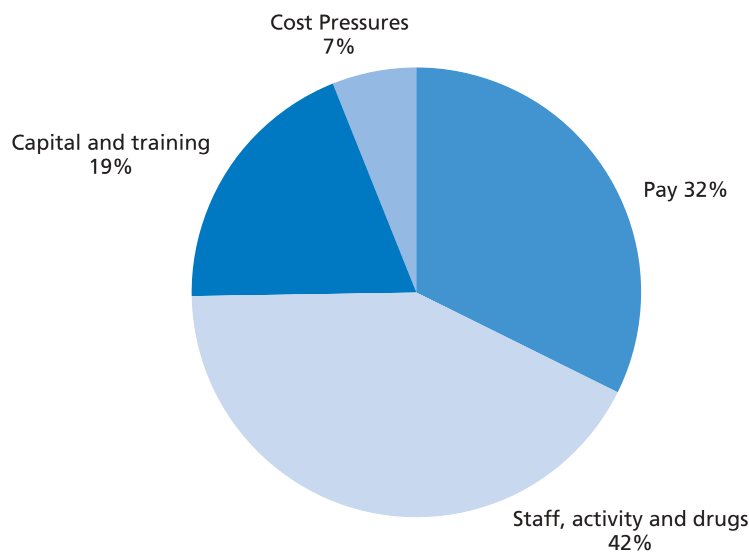
ii) **invest for the future**. To achieve world class service standards the NHS needs to invest in people and infrastructure. Investment in training, capital and research is expected to increase during the year by almost £1.0 billion (20%). This has helped amongst other things to enable the completion of 6 major hospital schemes and increased nurse training places by 5.5%, allied health professional training by almost 17% and medical school intake by over 12% (section 2.3);

1 Estimates based on plans and in-year monitoring of spend. Audited accounts will be available in the autumn.

iii) **ensure that pay levels are sufficient to attract and retain staff** needed to continue to provide sustained improvements in NHS performance. Around £1.6 billion has been invested in pay and this is having a direct impact on staff numbers. The number of staff employed is expected to increase significantly, especially amongst nurses (section 2.4);

iv) **to meet unavoidable cost increases** (section 2.5) such as inflation on goods and services.

Chart 3: Breakdown of Additional Spend in 2002–03 (Total £5.2bn)



2.2 Improving Access and Quality of Services

2.2.1 As chart three shows, 42% of the increase in NHS expenditure is accounted for by extra staff, drugs and goods and services. These are key to improving access and quality of NHS services.

More Staff

2.2.2 Provisional figures for September 2002 show that since September 2001 total NHS staffing rose significantly including increases of:

- 17,000 more nurses;
- 1,200 more consultants;
- 400 more GPs;
- 2,000 more therapists.

2.2.3 This means that, in total, since 1997 there has been an increase of:

- almost 50,000 more nurses;
- 8,400 therapists;
- 5,500 more consultants;
- 1,200 more GPs;
- 2,500 more specialist registrars and GP registrars; and
- an increase in other medical staff making a total of 10,000 extra doctors

working in the NHS.

This means that we have now achieved the NHS Plan targets for specialist registrars and GP registrars as well as doubling the NHS Plan target for extra nurses.

Prescribing

2.2.4 On current forecasts GP and nurse prescribing will increase by 11.5% this year at a cost of £650 million and hospital drugs by 12% at a cost of £200 million.

2.2.5 Around half of the forecast growth reflects an increase in the number of prescriptions and half reflects the fact that new, more effective and expensive drugs are being used in place of older, less effective ones. Historically around 30% of growth has been as a result of volume changes and 70% more expensive drugs. The significant shift from price to volume growth in recent years reflects an increased focus on effective prescribing in line with the National Service Frameworks and NICE guidance. Five categories of drug have accounted for half of the increased cost in 2002–03, they are:

- statins (for lowering cholesterol) – 20% of the increase;
- anti-hypertensive therapy – 13%;
- drugs for diabetes – 8%;
- drugs for healing ulcers – 5%;
- drugs for depression – 5%.

It is estimated that the extra statin prescribing is saving up to 6,000 lives per year.

The volume of prescriptions:

- is forecast to be 585 million in 2002/3, around 29 million or 5% more than 2001/2.

2.2.6 Within the total spend on drugs we estimate that implementing NICE guidance has cost around £216 million extra in 2002–03 with examples including:

- £60m on Ribavirin and Interferon Alpha for Hepatitis C which will benefit around 7,000 people;
- £25m Cox IIs for osteoarthritis and Rheumatoid Arthritis which will benefit around 1.4 million people;
- £23m on zyban and nicotine replacement therapy for around 1.4 million people.

2.2.7 The growth in GP and nurse prescribing spend on drugs this year includes:

- £208 million on drugs for Coronary Heart Disease (i.e. lipid regulating and anti-hypertensives) equivalent to over 9 million more prescriptions;
- £50 million on drugs for diabetes or over 2 million more prescriptions;
- £32 million on drugs for depression equivalent to writing 2 million more prescriptions;
- £31 million on drugs for healing ulcers equivalent to over 1.5 million more prescriptions;
- £27 million on drugs for respiratory problems or 400,000 more prescriptions.

2.3 Investing for the Future

2.3.1 Around 19% of the additional spend in 2002–03 was targeted at building capacity for the future. To deliver the continuing improvement in quality of service and drive down waiting times requires more staff training, facilities and equipment. Delivery in future years depends on investment now.

Investment in training

2.3.2 It takes 3 years to train a nurse and a minimum of 12 years to train a consultant and 9 years to train a GP. The full benefit of the current investment in increasing the number of students entering medical school will be seen in 2010 and beyond as today's undergraduates progress in their careers. In 1996–97 less than 15,000

students entered nurse and midwifery training. This year over 23,000 students, an increase of 53%, have started training. This increase and further growth will help us to sustain the increases we have seen in the number of nurses working in the NHS.

2.3.3 The NHS Plan targets are that by 2004 (compared to 1999) there will be:

- 5,500 more nurses and midwifes entering training each year;
- 4,450 more therapists and other key professionals entering training each year;
- 1,000 more specialist registrars (achieved);
- 450 (updated to 550) doctors training for general practice.

2.3.4 To help meet these targets, expenditure on training in 2002–03 is forecast to increase by over 20% to £3.1 billion, funding increases in:

- nurse and midwife training places of 1,540 (a 7% rise) bringing the total number of new places against the NHS Plan target to 4,602 and an overall total of 23,309;
- therapists and other key professional training places of 1,620 (22%) bringing the total number of new places against the NHS plan target to around 3,460 and an overall total of 8,990;
- specialist registrar training opportunities of 300. Provisional figures from the Modernisation Board report for September 2002 suggest an increase of 1,100 specialist registrars since 1999;
- pre-registration house officers of 160;
- GP registrars of around 200 bringing the total number of extra funded GPR posts to 350;
- the overall number of clinical placements of 4.4%;
- intake of medical students of 580 (12.3%).

Investment in buildings, equipment and infrastructure

2.3.5 The total value of the NHS capital stock at the end of 2001–02 was £25 billion, including £5.4 billion of land. New capital investment is needed to:

- maintain and improve the quality of the existing estate;
- expand physical capacity and improve access;

- modernise service delivery.

2.3.6 Total additional capital and IM&T investment in 2002–03 is forecast to be £380 million. Additionally, investment through PFI was £560m in 2002–03.

2.3.7 Much of the increase in investment has been deployed locally to maintain and improve NHS estate and equipment following a 16% increase in the level of general capital allocations (to around £1.5 billion) for local prioritisation. Major build also continued apace in 2002–03 with 6 new hospitals opened with a capital value in excess of £474 million and 5 medium sized schemes completed worth in excess of £70 million. We expect bed numbers to have continued to rise in 2002–03. In 2001–02 the number of general and acute beds was 789 higher than a year earlier reversing decades when bed numbers fell.

2.3.8 Other capital investment has been used to target investment in priority areas, including:

- **Access.** 14 new Diagnosis and Treatment Centres opening during the year with annual capacity totalling in excess of 40,000 cases; 2 new walk in centres and improvement of 13 others and; IT investment across all 42 NHS walk in centres.

- **Coronary Heart Disease.** investment of £100m in expanding and modernising services for Coronary Heart Disease. £35m was spent on additional equipment for the diagnosis and treatment of heart disease, £45m spent progressing 12 major tertiary schemes and £20m was spent on enabling works for over 40 cardiac catheterisation laboratories, being implemented in partnership with the National Lottery's New Opportunities Fund.

- **Cancer.** New and replacement cancer equipment provided through central programmes includes, up to the end of February 2003:

- 11 new MRI Scanners;

- 12 Linear Accelerators;

- 35 CT Scanners; and

- over 180 items of breast screening equipment, all delivered since April 2002.

- **Mental Health.** £35m capital investment has been used improve the physical environment in psychiatric inpatient wards, to afford patients greater privacy, safety and dignity. £5m was invested in the "Accelerated

Discharge Programme", which over time will move up to 400 inappropriately placed patients out of the high-secure hospitals to other types of facility, primarily medium-secure. £15m was spent on improving security in line with the Tilt Report at the country's 3 high-secure units. £22m was spent, largely at the country's high-secure units, developing facilities to accommodate patients with Serious Personality Disorders.

- **Older People.** Work has begun on the conversion of 236 Nightingale wards for older people and will be completed by April 2004.

2.3.9 Following the purchase of the London Heart Hospital in 2001–02 the Department of Health continued to identify innovative solutions to NHS problems; acquiring for £49 million from Life Resources Incorporated, an American plasma supplier, to secure the supply of life-saving plasma for NHS patients.

2.4 Pay Increases to Recruit and Retain staff

2.4.1 £1.6 billion was used in 2002–03 to fund pay increases for NHS staff.

2.4.2 The NHS is a labour intensive organisation and pay accounts for roughly 55% of total spend. The total pay bill for the NHS in 2002–03 is expected to be around £31 billion. The £1.6 billion increase in pay costs is made up of three main elements:

- pay awards £1,120 million;
- change in occupational and grade mix £325 million;
- extension of Cost of Living Supplements £40m.

2.4.3 Pay awards for NHS staff averaged 4%:

- GPs received a pay award worth 4.6%;
- Hospital doctors received 3.6%;
- Nurses and AHPs received 3.6% (including additional elements a total of 4.0%);
- Ambulance staff received 3.6%.

2.4.4 Investment in pay is vital both to recruit and retain staff. Above inflation pay awards have been necessary to support the growth in staff numbers necessary to improve service standards.

2.5 Price Rises

2.5.1 As well as investment in staff and additional activity the NHS, faces day to day price rises in goods, services and drugs. We estimate that these cost the NHS around an extra £370m in 2002–03. Of this, £70m was to cover the increase in payments for Clinical Negligence awards and the rest was inflation on the cost of goods and services purchased by the NHS.

2.6 Efficiency

2.6.1 In 2002/3 we estimate that efficiency in the NHS improved by around 1%. This is an initial estimate for 2002–03 and is subject to change, final estimates of efficiency will not be available until the audited accounts for 2002/3 are published in the autumn.

2.6.2 As set out in Delivering the NHS Plan, we have developed a better, more rounded measure of NHS efficiency. This new measure of efficiency, which replaces the Cost Weighted Efficiency Index, is an improvement over the old measure as it takes into account case mix changes and investment in quality improvements.

3

Impact of Extra Spending on Patient Care in 2002/03

3.1 Increases in staff, prescribing and capital expenditure are not ends in themselves but means to delivering improvements in the service offered to patients. This section shows what the extra spending has bought in increases in activity levels as well as measurable quality improvements in the priority areas of:

- waiting times;
- coronary heart disease;
- cancer ;
- mental health;
- older people.

Waiting Times

3.2.1 The additional resources provided in 2002–03 have had a direct impact on NHS activity levels and waiting times. In 2002–03 we expect to see[2]

- an increase in elective admissions of around 4.5% equivalent to an extra 240,000 hospital admissions;
- an increase in non-elective (mainly emergency) hospital admissions of 0.7% equivalent to 30,000 more admissions;
- an increase in first outpatient consultations of 2.5% equivalent to 300,000 more consultations.

2 Estimates based on extrapolation from first 9 months of the year.

3.2.2 As the NHS modernises we are also seeing significant increases in activity delivered in different settings. For example:

- we estimate that, in total, there were around 1.5 million procedures undertaken in an outpatient setting and some 600,000 procedures undertaken in a primary care, many of which would have previously been undertaken as more expensive hospital inpatient activity;
- Between April 2002 and February 2003, the number of calls to NHS Direct was 13% (680,000) higher than a year earlier;
- between April 2002 and January 2003, 1.1 million people used NHS Walk-In-Centres, an increase of 21% compared to the previous year.

3.2.3 Increases in activity during the year have contributed to sharp falls in waiting times. The latest available figures (up to the end of January) show that compared to a year earlier:

for inpatients:

- the number of people waiting more than a year for an operation fell by 68% from 29,600 to 9,600;
- a fall in the number of patients waiting over 9 months of 27% from 110,000 to 80,000;
- a fall in the number of patients waiting over 6 months of 11% from 256,000 to 228,000;
- a fall in the number of patients waiting over 3 months from 521,000 to 501,000, a fall of 4%.

for outpatients (to the end of December 2002):

- 77% of patients being seen within 13 weeks and 99.4% of patients within 26 weeks of referral by their GP, compared with 76% and 94.9% respectively a year earlier;
- the number of patients waiting over 26 weeks for a first outpatient appointment with a consultant had fallen by over 83,600 or 99%, from over 84,000 to less than 1,000;
- the number of over 21 week waiters has fallen from 30,600 to 19,200 (a 37% fall in 6 months) between June and December 2002;

- The number of patients waiting over 13 weeks for a first outpatient appointment with a consultant had fallen by 138,200 compared with December 2001, from 361,000 in December 2001 to 223,000 in December 2002. This constitutes a 38% reduction.

for A&E:

- From April to December 2002 over three quarters of all patients attending A&E were seen and admitted, transferred or discharged within 4 hours;
- Very long trolley waits have almost been eliminated from the NHS. In December 2002 only 88 patients (0.03% of the total) of A&E patients needing admission waited more than 12 hours compared with 393 patients (0.13%) in December 2001.

for primary care (in December 2002):

- 84% of patients were able to be offered an appointment within 2 working days to see a GP;
- 86%, of patients were able to be offered an appointment within 1 working day to see a primary care professional.

Coronary Heart Disease

3.2.4 2002–03 has seen significant improvements in access for heart patients.

3.2.5 Activity levels have increased with a forecast 5,000 more heart operations than in the previous year. No-one is now waiting more than 12 months for a heart operation. By the end of March 2003 no heart patient should have been waiting over 9 months for treatment (compared to 906 patients at the end of March 2002) – half the maximum wait of one year ago.

3.2.6 All patients waiting more than six months for heart surgery are now offered a choice of hospital.

3.2.7 Rapid progress on emergency treatment of heart attack patients means that 79% of patients now receive life-saving thrombolysis treatment within 30 minutes of arriving at hospital. All acute trusts now have a Rapid Access Chest Pain Clinic, which seek to give patients with chest pain diagnosis or an "all clear" within 2 weeks of seeing their GP.

3.2.8 In primary care, the number of statins (a key drug in preventing and treating coronary heart disease) prescribing continues to rise by around 30% a year benefiting over 1 million people, contributing to saving up to 6,000 lives per year.

3.2.9 Around 680 defibrillators have been installed across 110 sites. So far, evidence suggests that 21 lives have been saved.

Cancer

3.2.10 In 2002–03 patients diagnosed with cancer got quicker referral and treatment:

- 97.8 per cent of patients referred urgently with suspected cancer were seen within 2 weeks (95,000) during October to December 2002 compared with 95.1 per cent (74,000) for the same period in 2001;
- 96.5 per cent of women with breast cancer received their first treatment within one month of diagnosis during October to December 2002 (6,700) compared with 94.2 per cent at the end of 2001/2 (6,000) [earliest available data].

3.2.11 31,000 patients each year are now able to benefit from new anti-cancer drugs following NICE appraisals

3.2.12 The breast screening programme is being extended to cover women aged 65–70. An extra 120,000 women have been invited to be screened since April 2002 as a result.

Mental Health

3.2.13 Mental health services are delivering a wide range of service improvements during 2002/3:

- 34 additional crisis resolution teams are in place so that people in contact with specialist mental health services can access crisis resolution services at any time. Such teams will, in total, treat around 25,600 young people a year. In addition, 6 additional early intervention teams are in place to treat all young people who develop serious illness;
- 24 additional assertive outreach teams are in place to provide better support to people who are very high users of services and are caught in the cycle of revolving admissions. Such teams will enable services to be provided to 17,500 people in total;
- 600 nurse advisers in NHS Direct received training to support callers with mental health problems 24 hours a day;

- The availability of anti-dementia drugs has increased over the last two years. Between the start of 2001 and September 2002 prescriptions of the three main anti-dementia drugs tripled from 20,400 to 61,600.

Older People

3.2.14 There has been significant progress in implementing the National Service Framework for Older People:

- by December 2002 there were 17,800 intermediate care places – an increase of around 3,900 over the number at the end of 2001/02;
- 20,000 more people will benefit from intermediate care services in 2002/03 compared with 2001/02 (from 245,000 to 265,000);
- around three quarters of all hospitals have identified specialist multi-disciplinary teams for the care of older people;
- 41,000 people who formerly funded their own nursing care in nursing homes now receive NHS funded nursing care.

4

Planned Investment in 2003–04

4.1 Where the money will be spent

4.1.1 NHS spending in 2003–04 is expected to total £59.5 billion; an increase of £5.1 billion. Detailed plans for 2003–04 are currently being completed by local NHS organisations, but national planning assumptions suggest broadly the same breakdown in spend to 2002–03.

4.2 Improvement in access and quality

4.2.1 In 2003–04 we expect around 40% of the additional investment to be spent on improved access and increased quality, 20% to be spent on investments for the future (capital and training places) and a third on additional pay including the cost of pay reform. This will be used to deliver:

- a significant increase in overall staff numbers;
- based on September 2002 provisional staffing figures, we now expect to deliver a further 3,800 consultants and 1,300 GPs by March 2004;
- therefore meeting the NHS Plan targets for staff increases of:
  - 7,500 more consultants
  - 2,000 more GPs
  - 6,500 more therapists and other health professionals
  - and continuing to expand nurse numbers beyond the already achieved target of 20,000 extra;

- prescribing to increase by around 12–13%, equivalent to around 30 million more prescriptions;

4.3 Investment for the Future

4.3.1 Around 20% of the additional investment will be used to increase the physical capacity of the NHS (and the diversity of provision) and to increase the number of training places to provide the staff we need in the future.

- major PFI schemes with a total capital value of £280 million are timetabled to be open to patients during 2003–04 as are 8 medium sized PFI schemes worth £145m;
- establish 14 new NHS-run Diagnostic & Treatment Centres (DTCs) in order to contribute to the achievement of the waiting times targets;
- deliver broadband access to NHS net for NHS clinicians and support staff by April 2004 through a single national procurement of a new NHS network;
- more defibrillators commissioned in public places, working with the New Opportunities Fund, to contribute to 3,000 by 2004;
- increase the number of training places in 2003/4 by:
  - Over 1,300 extra nurse training places
  - Over 1,900 extra training places for therapists and other key professional staff
  - 200 more GP registrars
  - 400 more specialist registrars, and
  - nearly 1,000 more clinical placements for medical undergraduates.

4.4 Investment in Pay

4.4.1 The total investment in extra pay for NHS staff will take around one-third of the additional resources available for 2003–04. For the first time spending here will include the costs of major reforms to how staff are paid as well as annual pay awards (of around 3.225%) and the cost of a richer mix of staff in the NHS.

4.4.2 In 2003–04 we will begin to roll-out pay reform that will cover the vast majority of NHS staff. The resources being invested in pay reform in 2003–04 and beyond will be used to:

- Start implementing Agenda for Change, the new pay framework for non-medical staff. When fully implemented the benefits will include:
  - major improvements in capacity, productivity and skill mix, including a net increase in the number of hours worked by NHS staff of 6.5 million hours per year
  - an additional 16,000 qualified staff and more than 22,000 support workers
  - freeing up around 2% of consultants time, around 10–15% of other doctors time and around 4% of qualified nurses' and other registered staff's time, enabling professional staff to devote more time to direct patient care;
- Implement the new GP contract which will achieve the following:
  - an additional 1,900 GPs and productivity improvements equivalent to 400 whole time equivalent GPs
  - improved quality and more patients, including those with chronic conditions, being treated in primary care rather than hospitals
  - we estimate that as many as one million outpatients could be taken out of hospitals and delivered by primary and community services
  - 1,000 GPs with a special interest (GPwSI) in a range of conditions such as ophthalmology, orthopaedics, dermatology, and ear, nose and throat surgery will be in place by 2004. GPwSIs carry out procedures that would otherwise be done in hospital;
- secure local implementation of the new consultant contract and reward consultants who achieve the most for the NHS, with the following benefits:
  - net productivity gain of 1.5% per year
  - extra consultant capacity equivalent to 1,500 whole-time equivalents over 10 years.

4.5 Price rises, clinical negligence and other costs

4.5.1 The cost of inflation on goods and services in the NHS will account for around 6% of the additional resources available in 2003–04.

4.6 Impact on patient care

4.6.1 The extra resources available to the NHS in 2003–04 will bring further improvements in services including:

- increased elective activity of around 5%;
- major reductions in waiting times to a maximum wait of 4 months for an outpatient appointment and 9 months for an inpatient admission by March 2004;
- further fall in waiting times for heart patients with a maximum wait of 6 months for a heart operation during 2003 and bringing forward of a maximum of 3 months from 2008 to March 2005;
- 100% booking of day cases and two-thirds of all first outpatient and inpatient elective admissions being pre-booked by March 2004;
- increasing the day case rate to 75%;
- by April 2004 anyone waiting more than 6 months for elective care will be offered the choice of moving to an alternative provider;
- fall in waiting times in A&E with a maximum wait of four hours from arrival to admission, transfer or discharge, by the end of 2004;
- access to a primary care professional within 24 hours and to a primary care doctor within 48 hours from the end of 2004;
- extra equipment for diagnosing and treating cancer, including 50 MRI scanners and 50 CT scanners by the end of 2004;
- around 250,000 more smokers being supported so they can quit successfully;
- Further spend on statins and other new drugs approved by NICE;
- Over 80% of hospitals that care for people with stroke introducing a specialised stroke service from April 2004;
- investment to replace or improve GP premises and the development of one-stop primary care centres will continue with a target of 3,000 GP premises improvements/replacements and 500 one-stop primary care centres by the end of 2004.

5

Planned Investment by 2008

5.1 Expenditure

5.1.1 Between 2003 and 2008 average annual real terms NHS expenditure will be 7.5%, a cumulative increase of 43%. This splits into average annual real terms growth in capital expenditure of 20%, or a cumulative real terms increase of 144%, and an average annual real terms increase in revenue of 6.8%, or a total real terms increase of 39% over the 5 years.

5.2 Benefits

5.2.1 By 2008 we expect the following growth in NHS staff (over the September 2001 baseline):

- 15,000 consultants and GPs;
- 35,000 nurses, midwives and health visitors;
- 30,000 therapists and scientists.

5.2.2 Compared with 2001–02, by 2008 there will be over 8,000 more nurses each year leaving training – a 60% increase. Similarly, there will be an extra 1,900 medical school graduates per year – a 54% increase.

5.2.3 In addition we will have expected the NHS to expand and make better use of its capacity to:

- Increase treatment capacity by the equivalent of over 10,000 beds;

- Increased the number of admissions carried out as day cases to over 75% of all operations;

- Opened 42 additional major hospital schemes mostly delivered through the PFI and 13 more major schemes under construction; and

- Additional 19 fully operational NHS-run Diagnostic and Treatment Centres (DTCS) making 47 in total.

5.2.4 We will not only expand hospital capacity but also use the extra investment to modernise the way services are delivered through:

- Expanding the capacity of NHS Direct from 7.5 million callers per year to over 30 million callers per year, including handling all out of hours calls to GPs and taking up to 1 million low priority ambulance calls;

- Increasing the amount of activity which takes place in primary and community settings with millions more outpatient appointments taking place in the community rather than the hospital;

- Establishing around 750 primary care one-stop centres to offer a broad range of services;

- Extending intermediate, home care and residential care provision to offer alternatives to hospital admissions and reduce delayed discharges – a 30% increase in intermediate care capacity;

- Electronic booking of appointments across the NHS by 2005 and electronic patient records in all PCTs and trusts by 2008.

5.2.5 Amongst other significant improvements, by 2008 patients will be experiencing a maximum wait for hospital treatment of just 3 months and a maximum one month wait from cancer diagnosis to treatment.

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