The Rt Hon Andrea Leadsom MP
Minister of State
Dept of Health and Social Care
House of Commons
London
SW1A 0AA

21 May 2024

Dear Minister,

The Royal College of General Practitioners, The Health Foundation, National Voices and the NHS Confederation's Primary Care Network are coming together to call on the Government to urgently address health inequalities by reforming general practice funding.

With the soaring cost of living and widening social inequalities that are the basis for many health inequalities, it has never been more important to tackle the health disparities damaging patient lives. GPs play a pivotal role in addressing health inequalities as they are first-hand witnesses of the health and social issues experienced by the most deprived populations in the country.

However, the way general practice is funded means that typically practices in the areas of greatest deprivation have patients with more complex needs, yet don't receive proportional funding to address those additional needs. Practices in the poorest areas have 14.4% more patients per fully qualified GP than practices in wealthy areas[i], yet receive 7% less funding after accounting for the additional needs of their local populations.[ii]

While all areas need more funding, we need a radical change in the way that funding is allocated to better take into account the needs of different communities. The RCGP's latest polling revealed public support for this change, with 71% of the public agreeing that general practices in the worst-off areas should receive additional, targeted funding to help them meet higher levels of patient need.

We therefore urge the Government to review all general practice funding streams to channel more spending to the areas of greatest need. As part of this, three key income streams for general practice require specific attention: core funding, incentive schemes, and Primary Care Network funding. In addition, workforce distribution must be addressed. While core funding is meant to take account of deprivation it fails to do so properly, and the other resource streams have been shown to perpetuate inequalities as outlined below.

Core funding
Since 2004, the Carr-Hill formula has been used to help allocate core general practice funding across England, providing a way of measuring workload and costs in general practice. However, concerns have been consistently raised that it does not equitably distribute funds. A study from the University of Leicester found that for every 10% increase in the practice's Index of Multiple Deprivation (IMD) score, payments only increased by 0.06%.[iii]

The Carr-Hill formula must be reviewed and reformed to better account for deprivation and reduce inequalities for general practice patients.

Incentive schemes
On average, over 12% of funding for practices comes from incentive schemes such as the Quality Outcomes Framework (QOF) the Investment Impact Fund (IIF), and other local incentive schemes[iv]. They are designed to pay practices if they hit certain targets.

However, the achievement of indicator targets used for incentive schemes can be more difficult for practices in areas of socioeconomic deprivation, where patients have more complex needs and lives. This can result in lower funding coming through to practices.

Between 2015 and 2022, practices in the most deprived areas received 29% less in payment from QOF than those in the least deprived areas.

As this financial reward may not provide practices serving more socioeconomically deprived populations with the resource needed to adequately support their patients, a revision in the indicators measured is needed to ensure the equitable distribution of funding to account for patient needs and workload.

Primary Care Network (PCN) funding
PCN's were established to improve population health by bringing GP practices into local groups to help provide additional services to patients. PCNs are asked to appoint health inequalities leads and deliver projects to address local inequalities.

However, there is significant inequality between PCNs and not all PCN funding and workforce allocations appropriately account for deprivation. A recent study by the Health Foundation highlights the benefits of the ICB primary medical care allocation formula which better accounts for need.[v] It is estimated that if this formula was used for all population-based PCN funding streams, PCNs in the most socioeconomically deprived areas would collectively receive £18.6m more per year.

Overall, PCNs in areas of high deprivation have access to less funding and fewer staff than those in areas of low deprivation, when accounting for the differences in need between the most and least deprived PCNs. PCN funding and incentives should be revised to account for deprivation so that the greater needs of those populations are met.

Workforce resourcing
Practices in areas with the highest levels of income deprivation have on average 300 more patients per fully qualified GP than practices with the lowest levels of income deprivation. With 37% of GPs saying that they are unlikely to be working in the next five years, these workforce shortages are likely to be felt more acutely by practices serving the most deprived communities. Furthermore, PCNs leaders have said that recruiting and retaining staff in socioeconomically deprived areas proved difficult in some cases and considered that funding is inadequate to respond to the additional workload of patients in socioeconomically deprived areas.[vi]

Rapid action is needed from the government to increase targeted investment, and to extend and accelerate workforce expansion programmes that incentivise both new and experienced GPs to work in under-doctored and socioeconomically deprived areas.

These disparities in the funding and workforce available to those practices in our most socioeconomically deprived areas must be addressed to help tackle the growing health inequalities gap. The current system forces GPs who are struggling to serve our most deprived communities to do so without the support and resources they need. We call on the Government to deliver a fairer funding system that will boost the workforce and funding resources in those areas where the levels of deprivation are highest, in order to level the playing field and to ensure that everyone, wherever they live, is able to access the care they need to live healthier lives for longer.

Signed:

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[i] Office for National Statistics, "Trends in patient-to-staff numbers in General Practices in England: 2022", December 2022 (accessed 6 February 2023).
[ii] The Health Foundation (2020) *Level or Not?* https://www.health.org.uk/publications/reports/level-or-not
[iii] Levene, Louis et al. – BJGP (2019) Socioeconomic deprivation scores as predictors of variations in NHS practice payments: a longitudinal study of English general practices 2013–2017
[iv] Data source – NHS Payments to General Practice, England, 2022/2023, https://digital.nhs.uk/data-and-information/publications/statistical/nhs-payments-to-general-practice/england-2022-23
[v] Health Foundation (2023) *Doing More for Less?*
[vi] The Health Foundation (2023) *Doing more for less?*