Today I was able to question the Prime Minister about the Barnett formula as I remain concerned about the unequal funding across the devolved nations. Click here to watch Sarah speak.

Dr. Wollaston: Identifiable spending per head on health is £203 higher in Scotland than in England. You set out in an earlier answer to Margaret Hodge that, as result of Barnett consequentials, that gap could actually get wider, yet you have told us that reforming Barnett is not on your horizon. Could you set out how it could possibly be right that if someone is living with heart disease, dementia, arthritis or cancer on one side of the border, there is so much less of a pot to spend on their health care than there would be if the same person lived on the other side of the border?

Mr. Cameron: I don't think there is so much less of a pot. As I said in answer to earlier questions, if we did not have the Barnett formula, we would have to come up with some other formula that would distribute money according to need, and we would sit around and have a debate about that. What we have with Barnett is a system whereby if we spend more in England, it has a consequence for Scotland, which affects the overall level of health spending money that is available in Scotland. Of course, the Scottish Government have the complete power to spend less than that amount of money, more than that amount of money or exactly the same—they have that choice. Again—I am repeating myself—as you increase the amount of tax and revenue that Scotland raises, you decrease the scale of the block grant, so you decrease the relevance of the Barnett formula.

Q48 Dr. Wollaston: But surely the problem with Barnett is that it comes as an accident of geography whether you are living five miles south or north of the border. It doesn’t actually distribute that funding according to need, deprivation or rurality. All of the things that are really important for health have nothing to do with it. It is purely an accident of geography, and that is what seems so unfair.

Mr. Cameron: That is a good point. My answer to that would be that what Barnett determines is how much block grant goes to Scotland and how much stays in England. It is then up to the Scottish Government, particularly on health, to decide not only how much to spend on health overall, but how to distribute health spending as per need within Scotland. That is a decision that they rightly make. It is a devolved decision, as is public health. There is of course a difference between England and Scotland, because you need to have a formula between the two nations, as it were. Within the two nations, however, we have devolved authorities, such as the Department of Health and Public Health England here in England, that decide how to spend the money, and Scotland has the equivalent authorities that decide how to spend its money.

Dr. Wollaston: I absolutely agree that there needs to be a fair formula for how it is distributed, but the issue with Barnett is that the size of the cake is so different. If you have a much larger cake per head to spend, that is something that you cannot get around. You are always going to have that. That is purely an accident of geography.

Mr. Cameron: Well, the distribution of money between England and Scotland, and England,
Scotland and Wales, is determined by the Barnett formula. As I say, if you did not have that formula, you would have to have something else, and it would still then be an accident of geography if you were living just one side of a border or just the other side of the border as to which pot your money was coming from. You have the national distributions and then the distributions within each nation, which should be done by the relevant authorities.

Dr Wollaston: Of course, but I keep coming back to the fact that if you have a larger cake per head of population to distribute in the first place, it is difficult to make adjustments for that which seem fair across borders. I think that £203â€”

Mr Cameron: No. That's really important, becauseâ€”

Chair: You've already answered this question.

Mr Cameron: I want one more go, because it's really important.

If Scotland and England were of exactly the same size and scale and there was a radically different distribution, that would have more power. I often say to English colleagues who say, "The Barnett formula is so unfair; it is too much extra money," that if you took all the extra money that Scotland gets from the Barnett formula and distributed it among the 55 million people in England, it would not be pot of gold. If you believe in the United Kingdom as passionately as I do, you have to find arrangements that seem fair between the countries. We shouldn't kid our constituents that there is some pot of gold called the Barnett formula, and that if we only got rid of the Scots having all that money, we could distribute it in England and we would all have lots more money. That is not true, because there are 55 million English people and only 6 million Scots. Don't overestimate the size of this thing, and, as I have said, recognise that it will shrink in its significance as we devolve fiscal powers.

Dr Wollaston: I take your point that it will shrink in significance. Could you also--this came up during the referendum campaign--set out to what extent the UK Government are actually able to influence health policy in Scotland?

Mr Cameron: This is really important. It is a pity that there isn't someone from the SNP here, because we could have a really good fight about that, as we did earlier--although, of course, we are not here to be political.

Look, it is very clear that the block grant that Scotland gets is dependent on the Barnett formula, but once that money has gone to Scotland, it is absolutely up to the Scottish Government"health is entirely devolved"to decide whether to spend all of that money, less than that money or more than that money. It is their decision, and it is also their decision how to spend it"which hospitals get the money, which doctors and what public health programmes. That is devolved, so the idea that the continuation of the United Kingdom could damage the Scottish health service is nonsense. I think the SNP knew it was nonsense when they said it, but they went ahead and said it anyway, because they thought it would win them votes. Ultimately, I think the Scottish people saw through that. It is up to Scotland.