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EDITORIALS

Public spending must improve health, not just healthcare

A narrow focus on the NHS neglects the much wider determinants of health

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Last week's budget held few surprises for the NHS because the "star bunnies"[1] had already been released from the chancellor's hat by the prime minister, whose summer announcement included a £20.5bn (€23bn; $27bn) "70th birthday present" for the NHS.[2]

But, as many have noted, the extra funding committed by 2023 (3.4% a year) is relatively low compared with historical trends—average annual increases since 1948 have been around 3.7%[3]— and it follows a long period of very modest growth. When adjusted for need, NHS spending has risen by only 0.1% a year since 2009-10 in real terms,[4] and the spending pledge is widely viewed to be only enough to get the basics back on track.[5]

Top line figures also ignore what is happening to different funding streams. Increases are directed at only one part of the healthcare system—NHS England—ignoring NHS infrastructure such as training, IT, and buildings, all of which are under increasing pressure, as well as spending in Wales, Scotland, and Northern Ireland. Despite the efforts of local authorities to protect social care spending, it has fallen by 1.5% a year between 2009-10 and 2016-17,[4] and as the deputy chief executive of NHS Providers put it, "When social care is cut, the NHS bleeds."[6]

Deep cuts continue elsewhere

This week's announcement of an NHS prevention plan[7] has not reversed the continued real terms reduction in the public health grant to local authorities of £0.7bn between 2014-15 and 2019-20, almost 25% per person.[8]

The determinants of health are much wider than the provision of health and social care. To maximise healthy life expectancy, as espoused by the secretary of state Matt Hancock,[7] we should establish the health effects of spending on social security, education, housing, the environment, transport, and many other areas, all arguably neglected in recent spending settlements. Deep cuts in social security budgets are likely to affect adversely the wellbeing of many, particularly children and families, and are particularly concerning with regard to future health inequalities.[9]

The Institute for Fiscal Studies states that healthcare spending rose from 23% of public service spending in 2000 to 29% in 2010, and this figure is set to reach 38% by 2023-24.[10] This is a remarkable increase, which reflects not only trends in NHS expenditure but also broader changes in spending across the whole public sector.

Figures from the Organisation for Economic Cooperation and Development suggest that total government spending in 2010 made up 47.6% of UK gross domestic product.[11] By 2016 this fell to 41.4%, and it is forecast to fall further as the government pursues a stated agenda to shrink the size of the state.[12] In the EU28, only Poland, Lithuania, Latvia, Czech Republic, Estonia, and Ireland are lower than this. In Germany the figure is 43.9%, Sweden 49.7%, and France 56.4%.[11] So it is not simply the case that NHS spending is growing, but that public spending overall is shrinking as a proportion of the country's wealth.

Political choices

Announcements of increased NHS spending are invariably accompanied by calls for reform of the way funds are generated—advocacy of user charges, social insurance, and hypothecated taxes abounds.[13] But in comparison, general taxation as the means of generating funds for the NHS is administratively simple, efficient, and equitable. And both the level of spending on healthcare and the way in which funds are generated are essentially matters of political choice.

So, too, are many pledges determining how NHS budgets are spent. The previous health secretary prioritised cancer funding to improve survival rates. The chancellor last week promised £2bn for mental health, particularly for crisis response.[1] And Hancock apparently wants a greater proportion of NHS funding to support prevention and primary care.[7]

These monetary pledges can be difficult to translate into improved services, particularly in the short term. What the NHS

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needs to improve care quality is not cash but real resources—particularly staff. At a time when NHS vacancy rates in England are increasing,[14] it can be challenging to translate spending effectively into care, and this may again point to the need to consider services outside the NHS.

The chancellor's view that the NHS is the top priority of the British people is supported by survey findings in 2017 that over 60% of respondents supported tax rises to enhance NHS funding, an increase of 21 percentage points from 2014 and 12 percentage points from 2016.[15] But although the NHS is without doubt a valued institution, it is hard to believe that people view the organisation as completely distinct from its overarching objective—to improve population health. If we value health above all, then increasing spending on the NHS, at the expense of other public services, will not be enough.

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