



FEATURE

DATA BRIEFING

This is what's happening to NHS spending on public health

Cuts to preventive health budgets have affected some local authority activities more than others, finds **John Appleby**

John Appleby *director of research and chief economist, Nuffield Trust, London, UK*

There was a time—perhaps hard to believe now—when the NHS was awash with money. At the turn of the century, with gross domestic product (GDP) growing at over 3% in real terms (also hard to believe now), decisions were taken to substantially boost spending on the NHS.

To put some analytical backbone into these political decisions the then chancellor, Gordon Brown, commissioned Derek Wanless to plot a long term course for NHS spending. The result, published in 2002,¹ was three scenarios for future spending, differentiated by assumptions about NHS productivity and the state of the public's health and health seeking behaviour. Higher productivity and a public supported to be fully engaged with its health meant a slower growth in NHS spending would be needed.

But the future turned out differently. Overall spending on the NHS across the UK did not keep pace with the Wanless projections and is likely to fall short of his most optimistic “fully engaged” scenario—with spending around two percentage points of GDP lower than he envisaged by 2022-23 (fig 1).

And what of investment in public health to support Wanless' aspiration that, “An NHS capable of facilitating a ‘fully engaged’ population will need to shift its focus from a national sickness service, which treats disease, to a national health service, which focuses on preventing it”?²

It is hard to tell what has happened to public health spending since the Wanless reviews, partly because of organisational changes in the way public health is now delivered and the difficulty in defining and capturing the resources used to deliver public health. Public health, in its broadest sense, is not just an activity provided by public health specialists under the auspices of designated public health budgets.

Since 2003 the programme budget initiative has tried to capture this broad notion of spending on public health.³ As figure 2 shows, for what the programme called “healthy individuals” (essentially, public health activities), spending in England from 2003-04 to 2009-10 rose steeply—by nearly 50% in real terms. But from 2009-10 to 2012-13 it fell by 18%, reducing its share

of total NHS spending. And there the programme budget data ends.

The government created Public Health England in 2013 and transferred public health functions and staff to local authorities. Although the data are not directly comparable, figures suggest spending initially rose, but between 2014-15 and the planned budget for 2019-20, spending (on a like-for-like basis) fell in real terms by around 25% (fig 2). With overall NHS spending in England growing by nearly 7% over this period, once again public health spending as a share of all NHS spending fell—from around 2.3% in 2014 to 1.8% projected in 2019.⁷

These real cuts have not been shared equally across all local authority public health activities, however. Between 2016 (when detailed budgets were first published) and 2018, there have been limited increases in some areas, including mental health. However, spending on public health programmes aimed at children under the age of 16 have been cut by £110m (€120m; \$140m—a 9% real reduction), substance misuse by £81m (11%), and sexual health services by £55m (9%) (fig 3).

Such cuts in spending do not necessarily translate into a one-to-one cut in services or outcomes (unless it is assumed that every public health pound spent previously produced the maximum output or outcome possible, which seems unlikely). Nevertheless, given the scale of the cuts it is hard to see the funding gap completely filled with more productive use of budgets.

Despite all this, internationally the UK seems to do rather well in terms of the public resource it devotes to preventive services. Though caveats apply to the quality of the data (and with differences in definitions of prevention and public health), the UK is second only to Canada in the proportion of publicly funded healthcare spent on prevention (fig 4).

Competing interests: I have read and understood BMJ policy on declaration of interests and have no relevant interests to declare.

Provenance and peer review: Commissioned; externally peer reviewed.

- 1 Wanless D. Securing our future health: taking a long term view. Final report. 2002. <https://www.yearofcare.co.uk/sites/default/files/images/Wanless.pdf>
 - 2 Wanless D. Securing good health for the whole population. 2004. https://webarchive.nationalarchives.gov.uk/+/http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4074426
 - 3 NHS Networks. Programme budgeting. 2018. <https://www.networks.nhs.uk/nhs-networks/health-investment-network/news/2012-13-programme-budgeting-data-is-now-available>
 - 4 House of Commons Library. NHS Expenditure. 2018. <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN00724>
 - 5 Chief Secretary to the Treasury. Public expenditure statistical analyses 2017. Cm 9467. 2017 <https://www.gov.uk/government/statistics/public-expenditure-statistical-analyses-2017>
 - 6 Department of Health and Social Care. Prime Minister sets out 5-year NHS funding plan. 2018. <https://www.gov.uk/government/news/prime-minister-sets-out-5-year-nhs-funding-plan>
 - 7 Ministry of Housing, Communities and Local Government. Local authority revenue expenditure and financing. 2018. <https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>
 - 8 OECD. OECD Health statistics 2018. <http://www.oecd.org/health/health-systems/health-data.htm>
- Published by the BMJ Publishing Group Limited. For permission to use (where not already granted under a licence) please go to <http://group.bmj.com/group/rights-licensing/permissions>

Figures

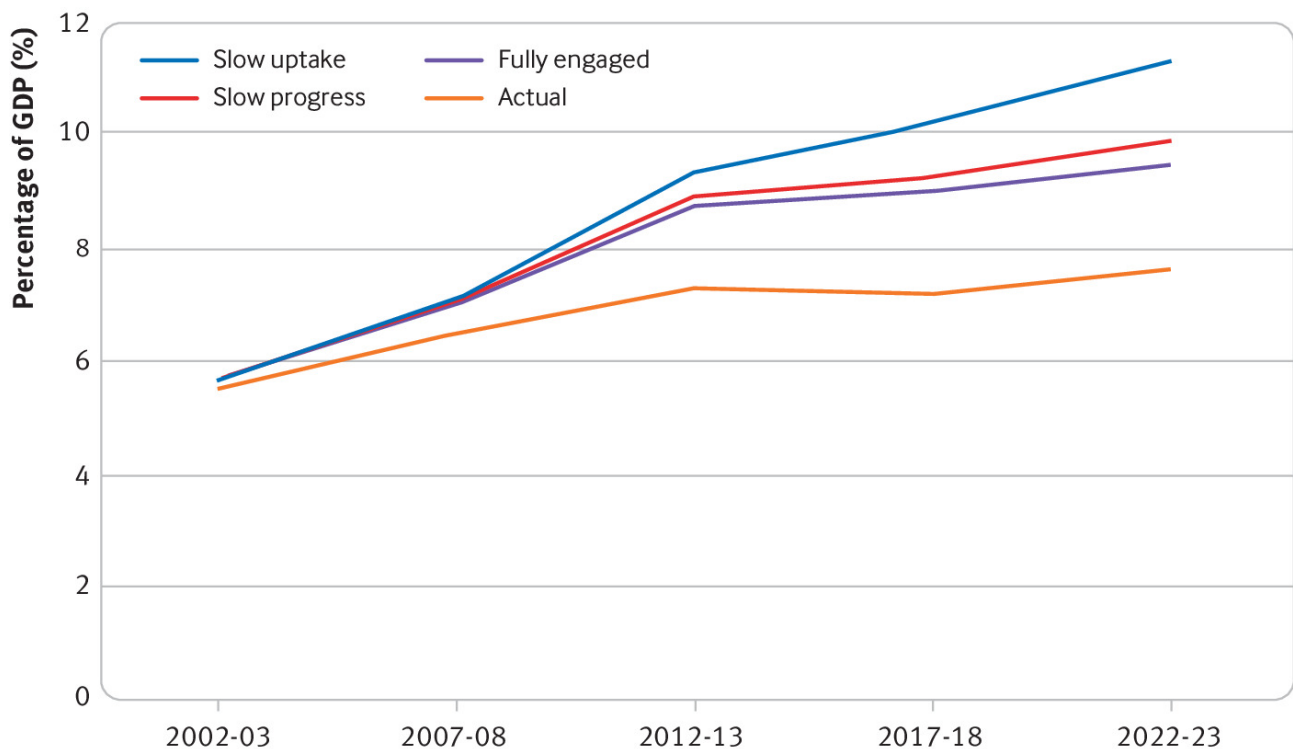


Fig 1 Actual UK NHS spending versus the Wanless projected spending for each of three scenarios, as a percentage of GDP (calculations based on^{1,4-6})

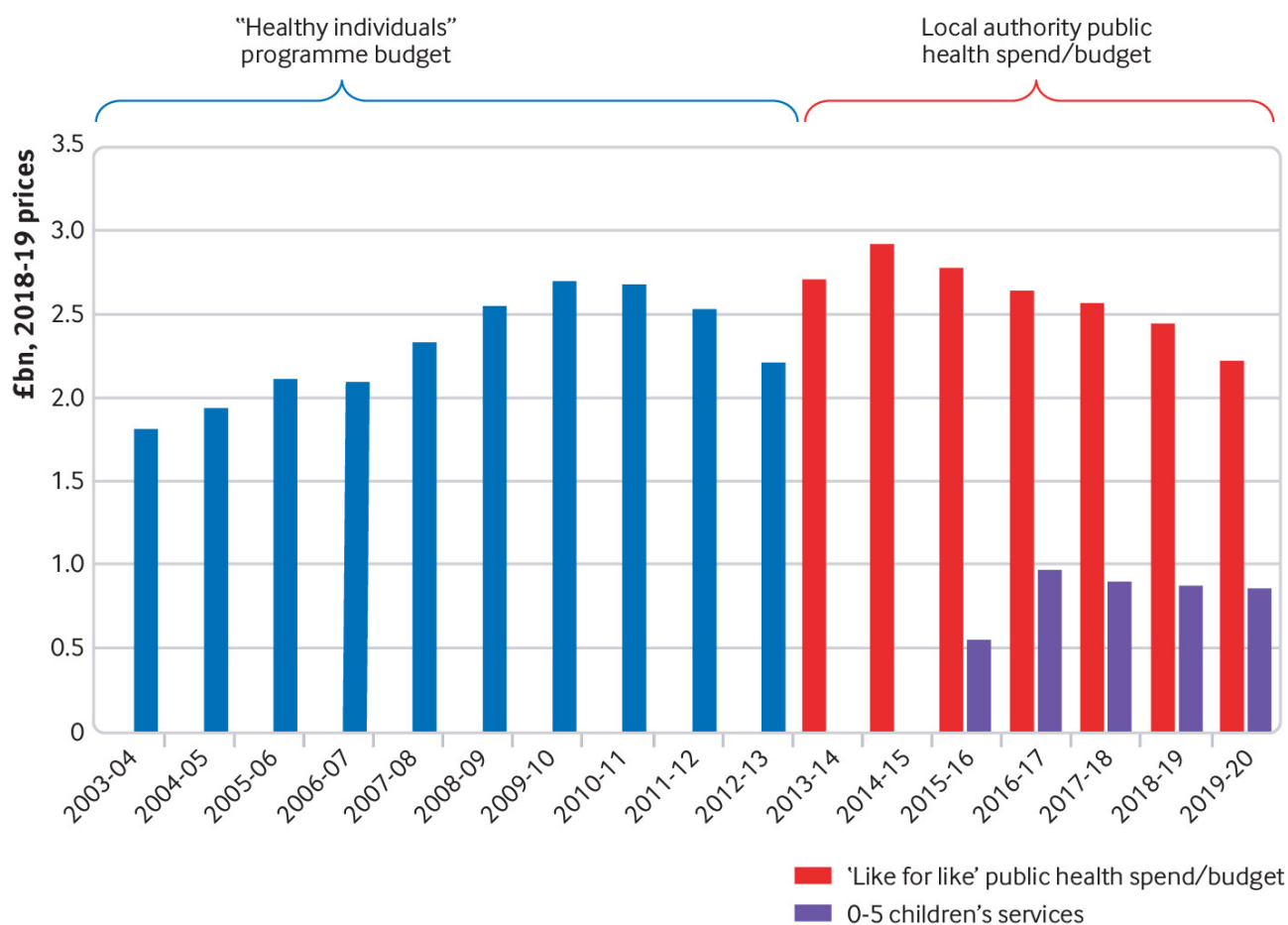


Fig 2 Trends in public health spending in England: 2003-04 to 2019-20 (2018-19 prices)³⁷

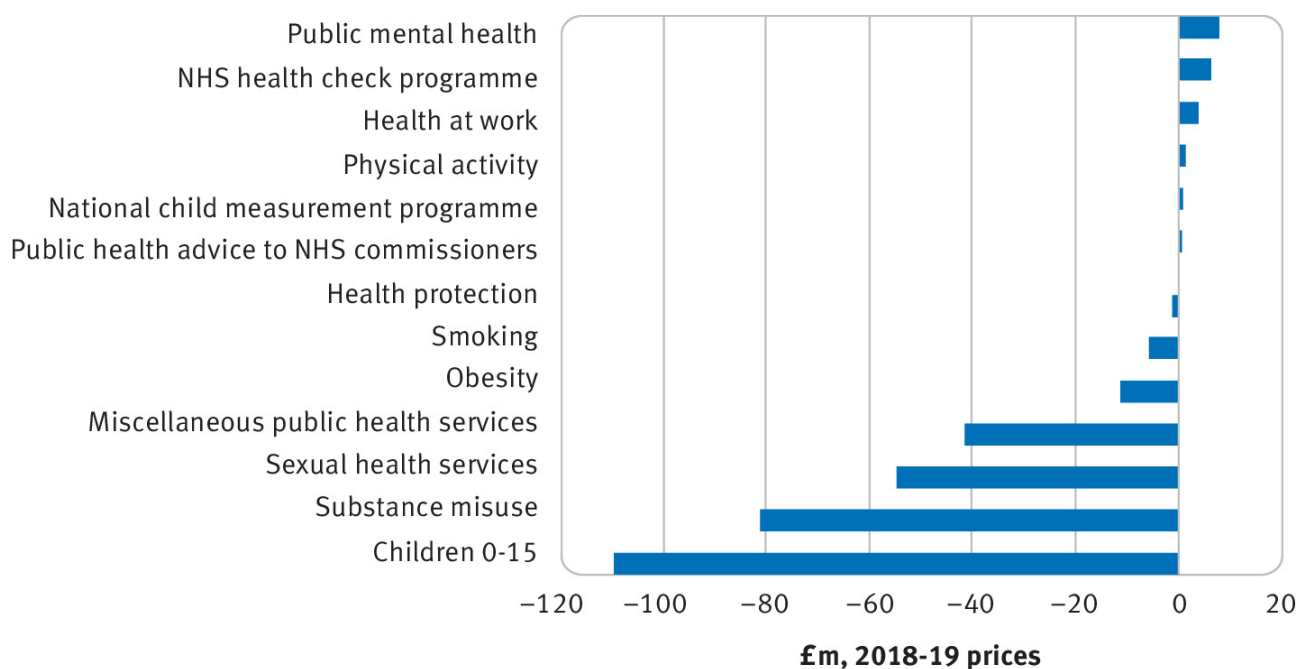


Fig 3 Changes in English local authority public health spending: 2016-17 to 2018-19⁷

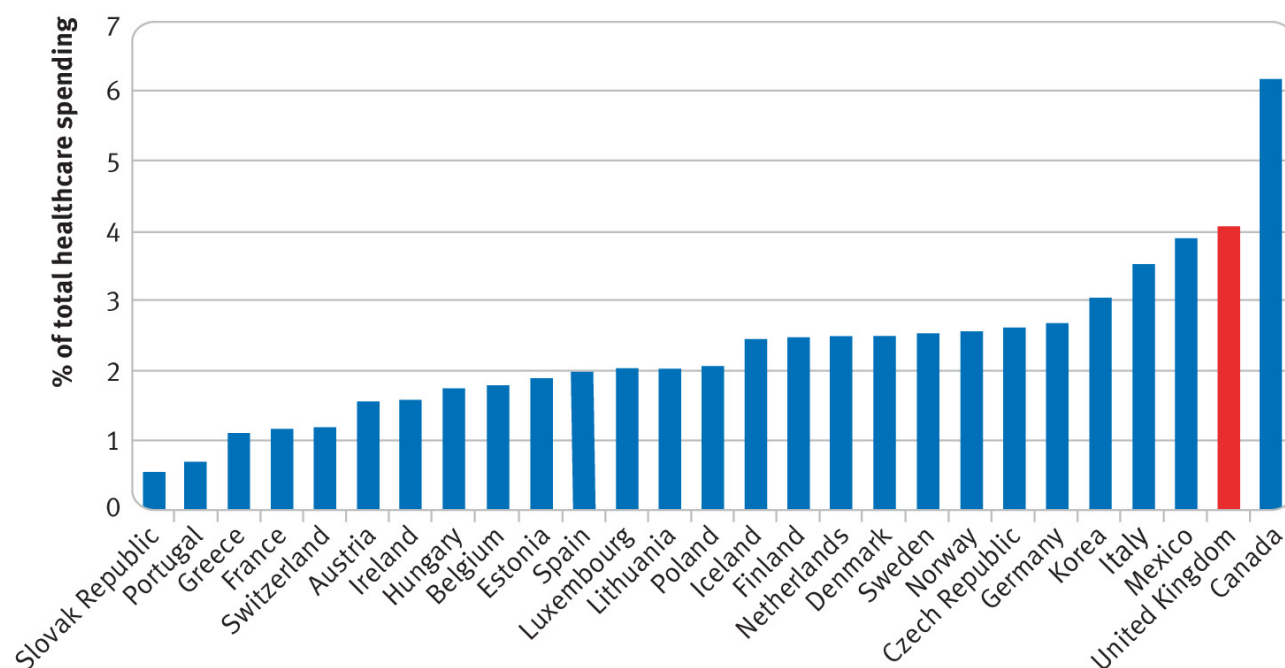


Fig 4 Proportion of publicly funded healthcare spent on preventive services in OECD countries, 2016⁸