



UK Health Alliance on Climate Change

Cite this as: *BMJ* 2023;381:p916<http://dx.doi.org/10.1136/bmj.p916>

Published: 21 April 2023

Spending ever more on the NHS and less on education: is this sensible?

Richard Smith *chair*

Some 30 years ago I heard Sam Thier, then chief executive of the Massachusetts General Hospital, say something like “If you want to understand an organisation don’t look at their strategy, look at their budgets.” It’s even more true of governments, where the rhetoric is grossly inflated and the budgeting brutal.

That’s why I’ve been reading *Follow the Money* by Paul Johnson, director of the Institute for Financial Studies and a man with a gift for explaining the complexities of finance.¹ The main message from his book is that the government’s ways of both collecting and spending money are highly complex, often irrational, and full of absurdities and inconsistencies.

(That’s probably true of all governments and may explain why countries’ economies do better after they have lost a war—because there is a chance for a fresh start. Look at the German and Japanese economies after the Second World War compared with the British.)

Although governments can both print and borrow money, these have their limits. Excessive printing leads to inflation, as Britain is experiencing, and we borrow from our grandchildren. Ultimately governments must balance the books, which means thinking about all sources of income and all expenditures. In contrast, particular groups—whether they be junior doctors, NHS managers, nurses, teachers, and civil servants—think about their incomes and their sector. Junior doctors understandably want more money for themselves and for the NHS, while teachers want more money for themselves and schools. Conflict is inevitable, particularly when money is short.

I won’t attempt to comment on salaries, but doctors and all health professionals should be aware of the dramatic contrast in funding of the NHS and education, remembering that education is more important for health, as opposed to sickness, than the NHS. Johnson writes: “By the middle of the 2020s, health spending will be more than 40 per cent above its 2010 level. Compare that with education spending which will be no more than 3 per cent higher.”

Johnson’s book doesn’t include many jokes, but he notes that “Voltaire once quipped that, while some states have an army, the Prussian army has a state. Increasingly our public sphere looks like a health service with a state attached rather than the other way around.” The NHS is the single most expensive thing the government does. Health accounts for around two pounds in every 10 that the government spends, and four pounds in every 10 spent on public services. The NHS has risen from 25% of public expenditure to 40% in two to three decades and has seen increases in its budget when every other public service has been cut. “The increase in health

spending between 2019 and 2022 would,” observes Johnson, “be enough to utterly transform any other public service.”

When I was a boy we argued that money should be shifted from defence (war) to health (sickness), and that has happened. We’ve funded the NHS “by largely abolishing defence spending, which has fallen from over 7 per cent of national income to barely 2 per cent today.” That doesn’t look so good with war in Europe and cyber warfare becoming endemic. We also ended support for nationalised industries and stopping public sector housebuilding, precipitating a shortage of housing, itself more important for health than the NHS.

And we don’t spend the money on the NHS wisely. Day to day spending has risen by over 20% in a decade, while capital spending has fallen by 10%, a formula, writes Johnson, that threatens NHS sustainability. Then the money is spent mostly in hospitals. “Our lack of investment in public health, primary care, and social care is a false economy,” concludes Johnson.

In 2022/23 we spent £153 billion on the NHS and £53.5 billion on schools. “Funding per pupil is lower today, in 2022, than it was in 2010. It’s hard to convey quite how extraordinary a fact that is. The sixth form and further education sector, which of course get far less [media] coverage, have done considerably worse.” The UK has a severe skills shortage, but “there have been huge cuts in spending on adult education for nearly two decades—nearly two-thirds down in real terms on 2003/04 and about half compared to 2009/10. Learner numbers fell from 4.4 million in 2004/05 to 1.5 million by 2018/19.”

But the statistic that hit me hardest was the cut to Sure Start, a programme to give poor infants a better start in life. It has lots of high-quality evidence to support it, and Johnson writes “Recent evaluations by my colleagues have shown that it was indeed highly effective, not least in improving the long term health of children.” But spending on Sure Start has been cut by 60% per cent since 2010.

I immediately contrasted this with the finding of the Lancet Commission on the Value of Death that about 10% of annual health system expenditure is on the 1% who die in that year.² Much of that money, the commission concluded, is poorly spent, increasing not decreasing suffering at the end of life with overtreatment and unnecessary hospital admissions.

We spend about £15 billion a year on the dying, most of them in their 80s, and \$600 million on giving the poor young a good start in life. Is this not madness?

Competing interests: RS was the co-chair of the Lancet Commission on the Value of Death. He’s 71 and will die soon and has four grandchildren who are not poor.

Provenance and peer review: not commissioned, not peer reviewed.

- 1 Johnson P. *Follow the Money*. Abacus, 2023.
- 2 Sallnow L, Smith R, Ahmedzai SH, et al. Lancet Commission on the Value of Death. Report of the Lancet Commission on the Value of Death: bringing death back into life. *Lancet* 2022;399:-84. doi: 10.1016/S0140-6736(21)02314-X pmid: 35114146