



## VIEWS AND REVIEWS

### ACUTE PERSPECTIVE

# David Oliver: An argument against more NHS funding? I don't buy it

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The NHS faces an unprecedented financial crisis. A Nuffield Trust report has shown a deficit of £3.7bn in acute trusts, compared with a target of £580m set by NHS England.<sup>1</sup> The King's Fund found in June that 43% of NHS finance directors planned to overspend their budget this financial year.<sup>2</sup> It also found that 50% of clinical commissioning group finance leads would have to delay or cancel spending to achieve the set financial "control totals."<sup>2</sup>

NHS performance is stalling or falling in several key areas.<sup>2,3</sup> Independent analyses of sustainability and transformation partnerships (STPs) have questioned their ability to deliver anything like the scale of savings they promise.<sup>4,6</sup> The Office for Budget Responsibility forecasts that NHS spending per person will fall by 0.9% by 2020.<sup>7</sup>

Given previous government pronouncements<sup>8</sup> it's unlikely that the chancellor, Philip Hammond, will use his budget to promise a significant funding uplift for the NHS, let alone one sufficient to cover the continuing trend of rising activity and costs, or the end to NHS pay restraint recently announced by the health secretary, Jeremy Hunt.<sup>9</sup>

Against this backdrop we have individuals or organisations arguing, counterintuitively, that the NHS shouldn't get a penny more of new money. Tim Briggs, orthopaedic surgeon and director of NHS Improvement's Getting It Right First Time programme,<sup>10</sup> is one. Briggs has said publicly that no more money should be put in unless the NHS has "put its own house in order" in terms of variation between services and, hence, inefficiencies and productivity.<sup>11</sup>

Pro-market think tanks such as the Adam Smith Institute, Reform, and the Institute of Economic Affairs (IEA) also tend to argue against further NHS funding. They maintain that more efficiencies are needed and especially that services could be better, more efficient, more person centred, and more affordable if we moved towards the insurance based or multiple provider models seen in some European countries.<sup>12-14</sup> The IEA's director, Mark Littlewood, claimed that NHS funding had increased in real terms every year since 2010 and now received a greater proportion of GDP than at any time during the previous Labour

government<sup>15</sup>—an assertion contested on social media by the Nuffield Trust health economist John Appleby.<sup>16</sup>

Some commentators, determined to show that the NHS is funded at around median levels among European nations, also gleefully seized on a recent change to the Organisation for Economic Co-operation and Development's (OECD) calculation of health care spending—meaning that the UK's spending, as a percentage of GDP, moved further towards the median of comparator countries.<sup>17</sup> Even after this, absolute spending per capita tells a less upbeat story, as the UK is sixth among the Group of 7 (G7) countries in terms of health spending.<sup>18</sup>

International comparisons are invidious at a time of such crisis. This is purely about what NHS facilities need in 2017-18

I don't buy any of these arguments. The scale and pace of potential productivity gains are probably overoptimistic, the savings promised by STPs (or required by "control totals") unattainable. International comparisons are invidious at a time of such exigent crisis. This is purely about what the NHS's facilities need in 2017-18 and beyond. As for gambling the NHS's future on a possible Labour election win and an NHS reinstatement bill before funding is increased, for fear of greater potential private sector involvement, it's utterly self defeating and based on ideological dogma, not pragmatism.

Yes, we need a debate and some serious policy around future NHS funding and provision. Right now, however, we need cold hard cash to prevent the service from crashing around our ears.

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