When the government committed to giving the NHS a 70th birthday present of an extra £20.5bn (€23bn; $26.3bn) a year by 2023–24, it asked in return for a plan showing what the money would be spent on over the next decade. The publication of the NHS’s long term plan earlier this month fulfilled that commitment, and the government officially expects the NHS to deliver on that plan.

We should be cautious of government and media claims about this “historic funding boost.” In reality—as the NHS plan acknowledges—the funding increase (to an average 3.4% a year) is merely a return to something near the 3.7% real terms annual increase that was the norm in the years leading up to the 2012 spending review—after which it fell to around 2.2%, leaving services struggling.

Of course, the headline amount is higher than before. It’s a five year commitment (not the traditional three), and the total NHS budget is higher too. But the political spin is disingenuous. Even after the increase, annual healthcare spending per capita in the United Kingdom will be only mid-table in the league of developed nations, and we’re near the bottom on numbers of doctors, nurses, diagnostic technologies, and hospital beds.

The NHS hospital provider sector is already around £4bn in the red. Robert Naylor’s report has recommended overdue major capital expenditure on buildings and facilities. Staff salaries (the NHS’s biggest cost) are set to rise after years of pay restraint, as well as employers’ pension contributions. And, even without any expansion of proposed workforce numbers, filling the one in 11 NHS posts currently vacant will cost money, whether by permanent employees or agency staff. Then there’s cost inflation for treatments, tests, and equipment. Any claims that money can no longer be used as a reason for poor performance are highly contestable.

Improving efficiency

A key part of the plan is a commitment to improve efficiency and value for money. The plan aims to save £700m on back office functions, while minimising variation in processes and outcomes and driving efficiencies through technology.

Here, again, we need a reality check. NHS productivity is higher than in most sectors of the economy (as a figure in the NHS plan illustrates), and it has improved by 3% in the past year, partly because of fewer staff doing more work. Contrary to soundbytes bashing managers from some politicians and newspapers, the NHS spends less on managers and administrators than many other industries or national health systems, and further loss of skilled management capacity could hamper its ability to deliver elements of the plan, including efficiencies.

Also, it’s one thing simply to describe waste, as Patrick Carter’s 2016 government report did, or unwarranted variation, as set out in the NHS’s “Getting it Right First Time” and “RightCare” programmes; it’s another thing entirely to drive down that variation and improve value for money. Most cost containment in the first half of this decade came from far blunter instruments: salary and recruitment freezes and deflation in tariff prices for activity.

It’s one thing simply to describe waste; it’s another to drive down that variation and improve value for money.

Finally, the NHS plan—by its own admission—says nothing about public health or social care funding (a green paper is awaited) or wider local government funding (subject to a different spending review decision), which have been affected by serial funding cuts. Understandably, it focuses on what the NHS can do about inequalities and prevention—but not on funding to tackle the wider determinants of poor health such as housing, welfare, and education.

Clearly, additional funding for the NHS is welcome. So is the NHS plan’s clear acknowledgment of serious workforce issues. And the plan has many ambitions I can happily support. But, when it comes to funding and efficiency, we need a strong dose of realism before expectations get out of hand and the NHS gets unfairly blamed for failing to meet them. Today’s National Audit Office report on the NHS’s financial position and sustainability couldn’t be clearer about overoptimistic assumptions.

Competing interests: See www.bmj.com/about-bmj/freelance-contributors/david-oliver.

Provenance and peer review: Commissioned; not externally peer reviewed.


19 Getting it Right First Time. https://gettingrightfirsttime.co.uk/.


24 Torjesen I. Long term plan: funding systems are likely to hinder delivery, warns NAO. BMJ 2019;364:j4293.

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