

# Fabian Society Commission on Future Spending Choices

Anna Dixon, Director of Policy  
Monday 15 April

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Ideas that change  
health care

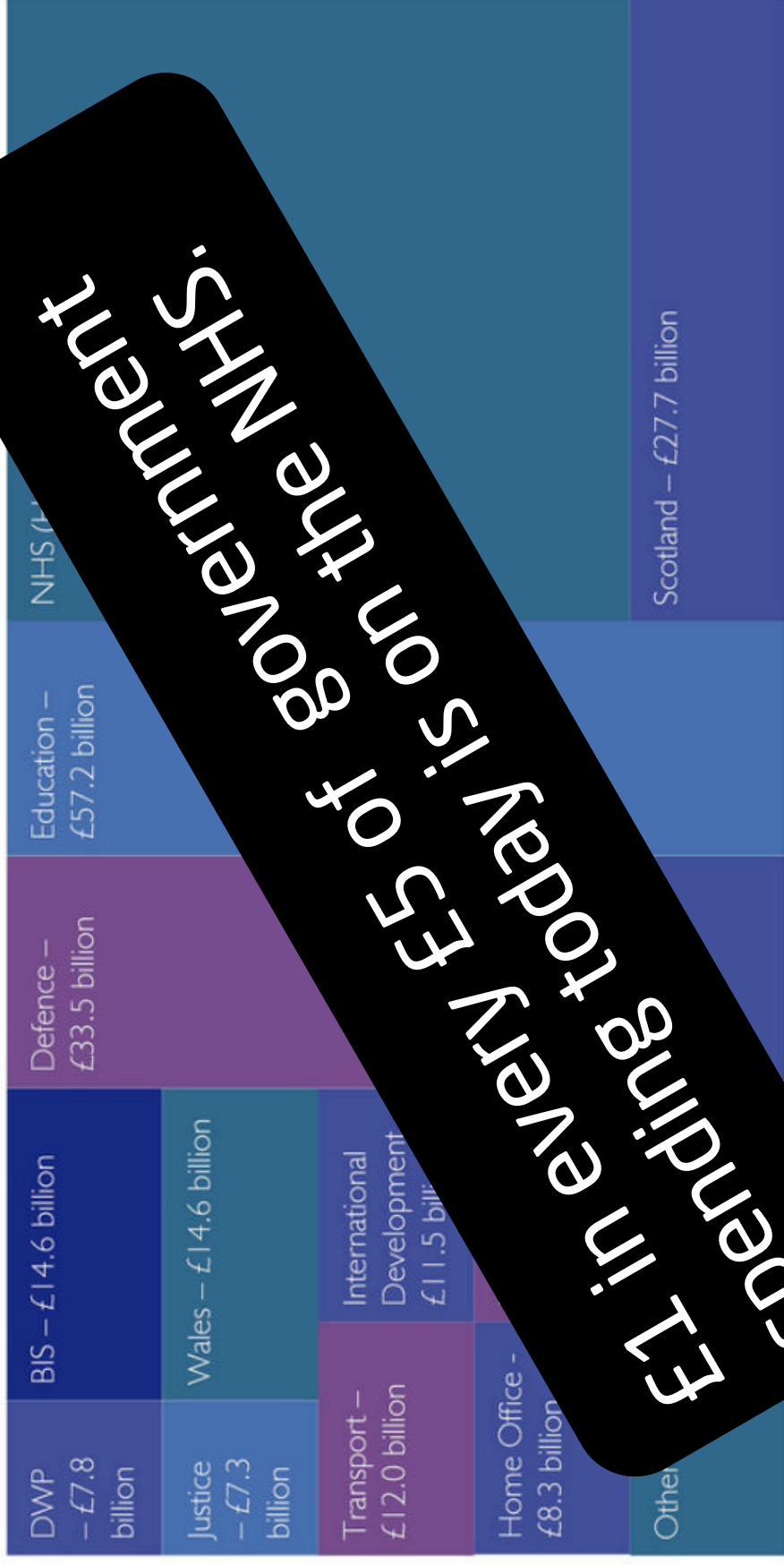
## Total Departmental Expenditure Limits, 2014-15

DWP – £7.8 billion	BIS – £14.6 billion	Defence – £33.5 billion	Education – £57.2 billion	NHS (Health) – £114.4 billion
Justice – £7.3 billion	Wales – £14.6 billion			
Transport – £12.0 billion	International Development – £11.5 billion			
Home Office – £8.3 billion	Northern Ireland – £10.3 billion	Local government – £22.9 billion		
Other spending <sup>1</sup> – £26.9 billion				Scotland – £27.7 billion

Source: Spending Review 2010, Table A.9 Total Departmental Expenditure Limits. Total Departmental Expenditure is the sum of Resource DEL (excluding depreciation) and CDEL.

<sup>1</sup> Other spending comprises: Energy and Climate Change, Special Reserve, HMRC, Communities, Reserve, EFRA, Single Intelligence Account, Foreign Office, Small and Independent Bodies, DCMS, Law Officer's Departments, Cabinet Office, HM Treasury, Olympics.

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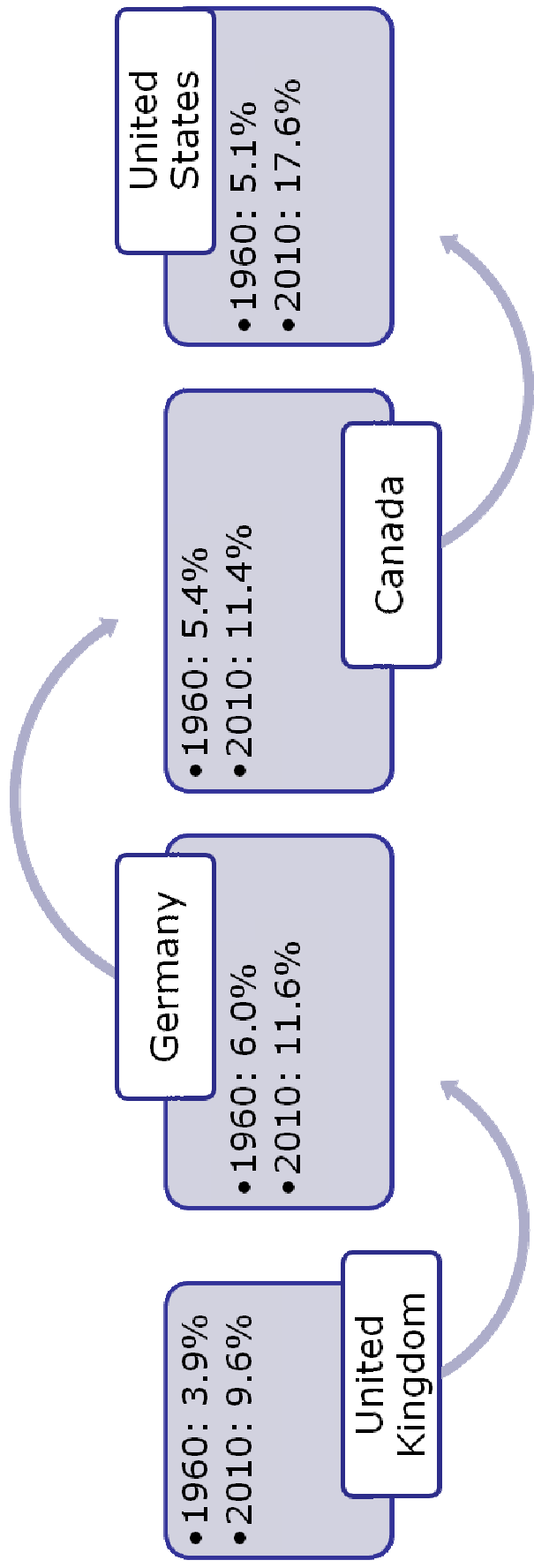
# Spending on health and social care over the next 50 years: Why think long term?

John Appleby

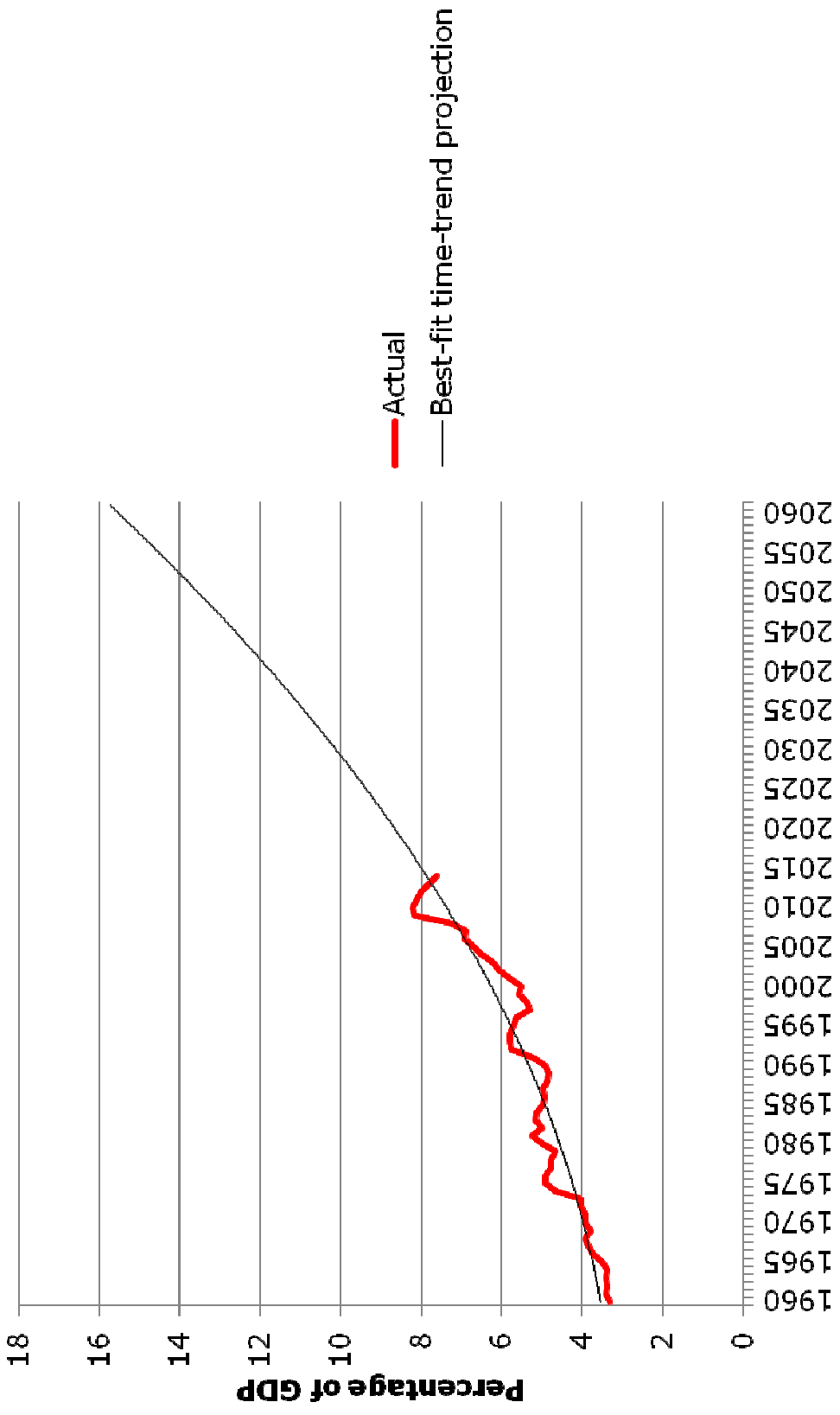
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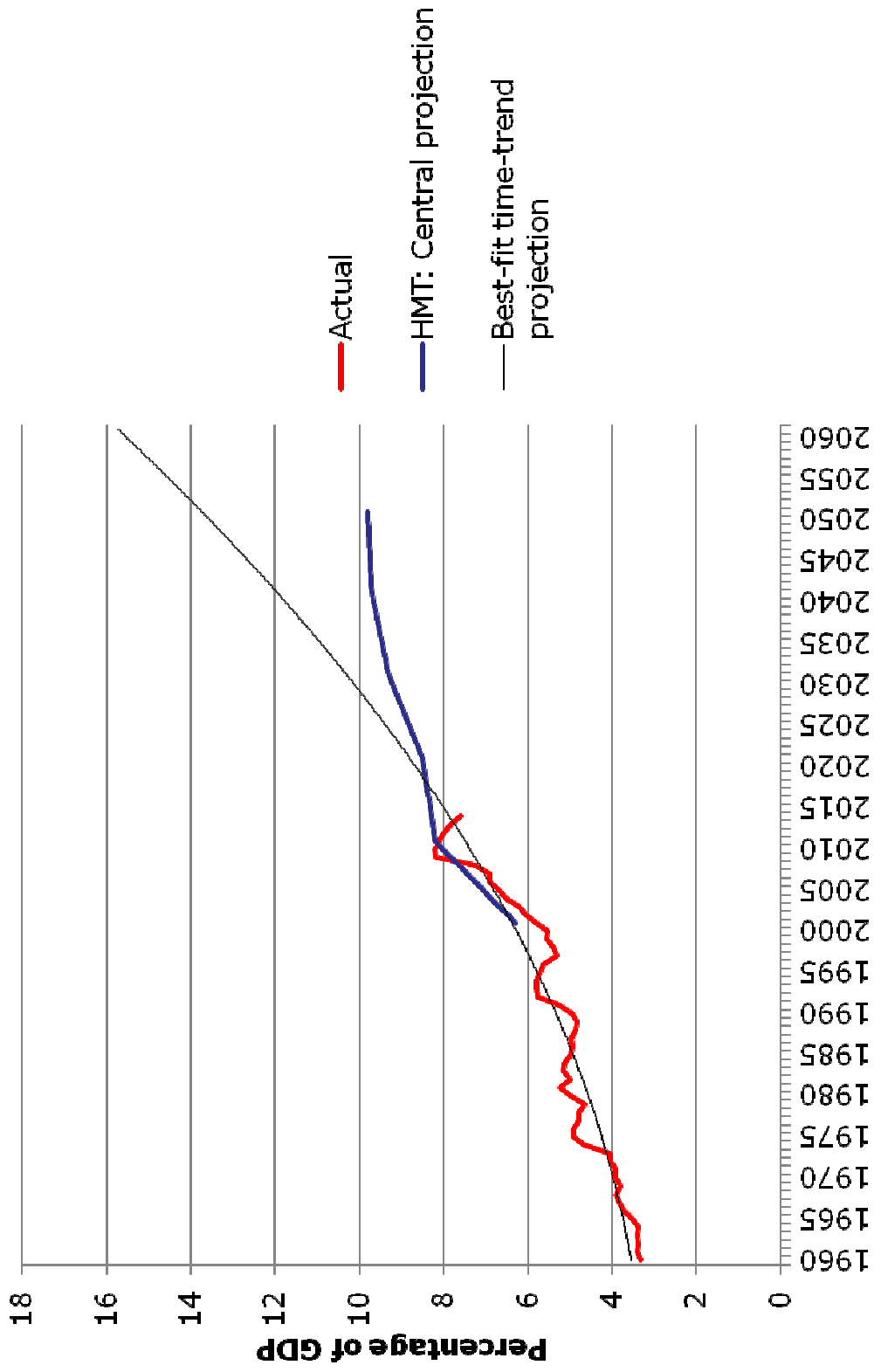
# Total health spend as a percentage of GDP

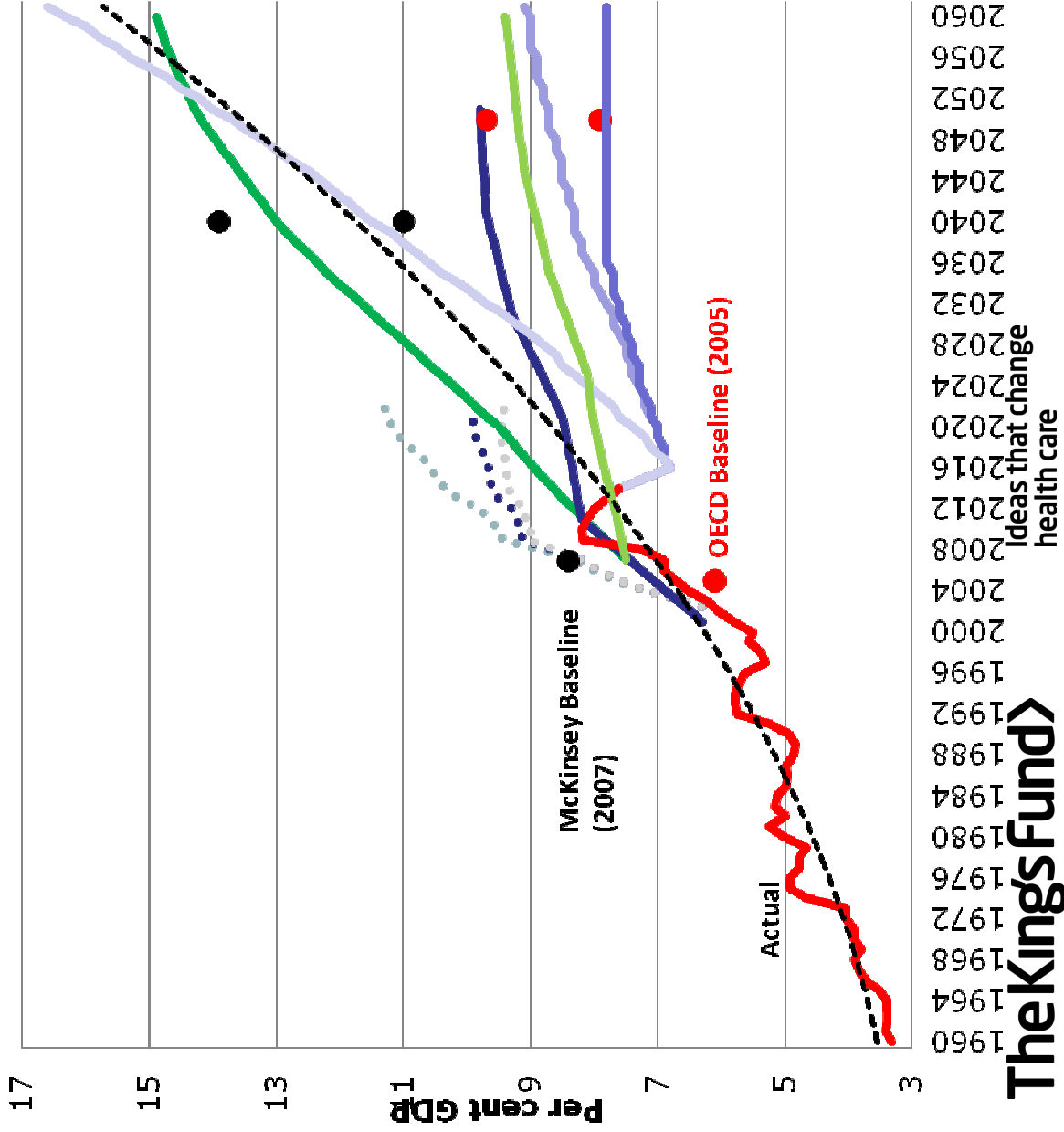


# A century of health spending: projections of UK health care expenditure, 1960-2059



# A century of health spending: projections of UK health care expenditure, 1960-2059





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OBR: 0.8% NHS productivity

Best fit time trend projection

European Commission Technology convergence

McKinsey 2040: High

McKinsey 2040: Low

OECD 2050: Cost pressure

HMT: Central projection

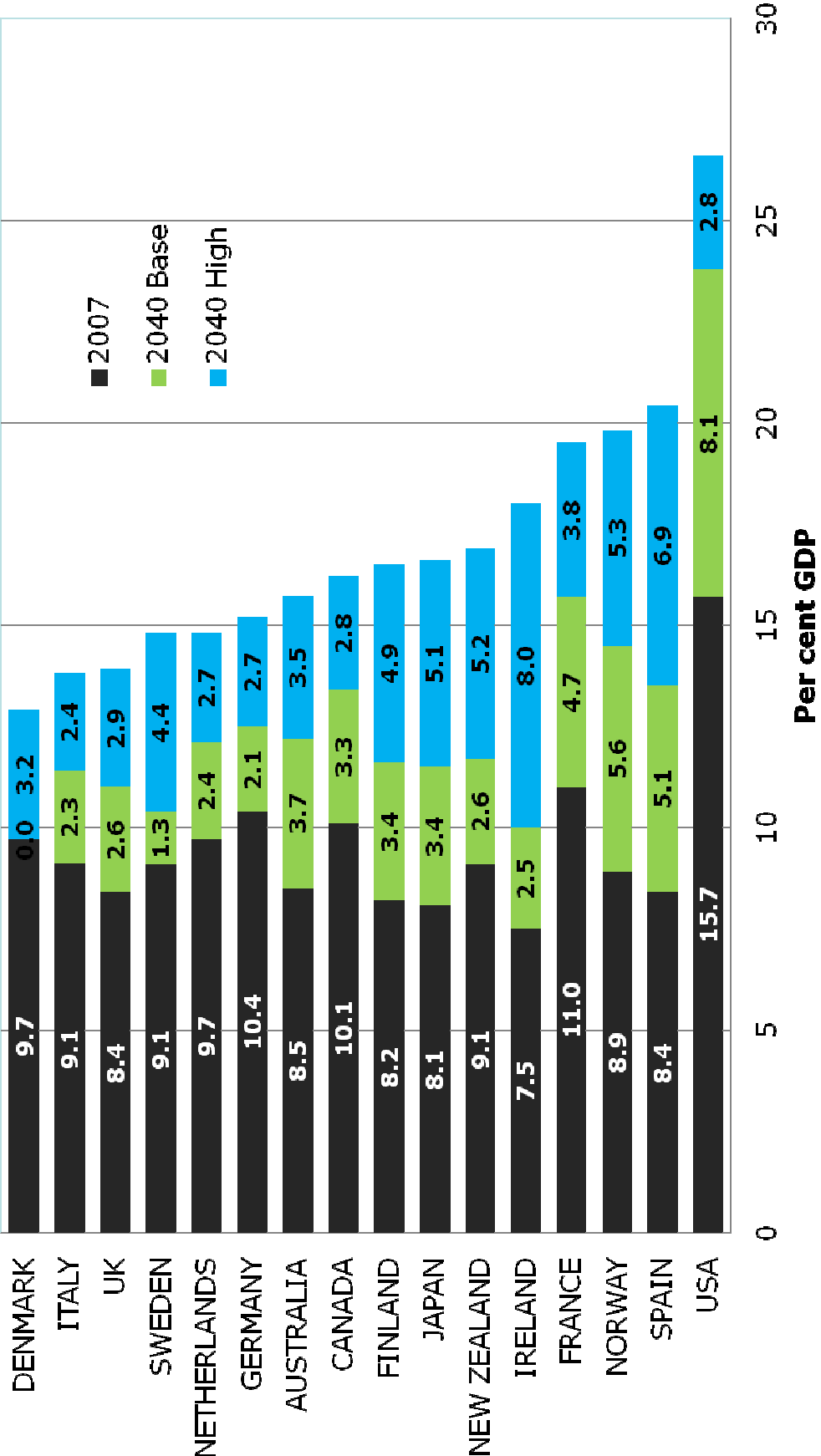
European Commission: Reference case

OBR: Central projection

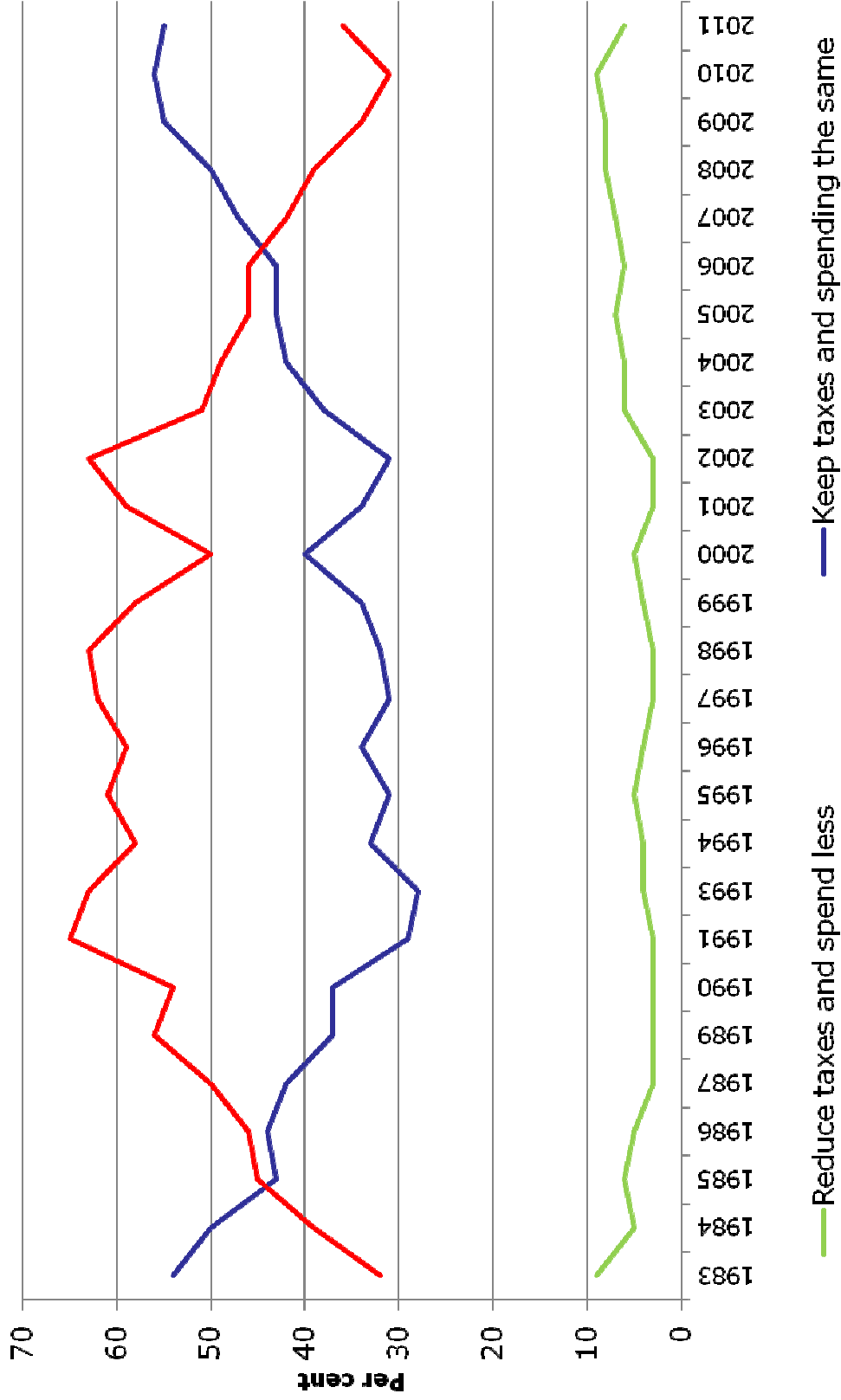
OECD 2050: Cost contained

OBR: Young age variant

# Projected potential growth in health care spending by 2040



## Attitudes of British public to taxation and spending



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# Commitment to the fundamental principles

*'It has to be kept as universal. Personally, I would feel if that changed, society would have taken a notch down. I understand society is selfish but we need to ask fundamental questions: how much to spend on ending lives and how much on saving them.'*

(London, age 25–35)

# Paying taxes

*'It's the people in the middle who will be stuck... the people at the top don't pay tax anyway, the people at the bottom will think 'Oh well, it won't affect me'; it's the people in the middle who will be affected.'*

(Leeds, age 38–50)

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# Opposed to means testing

*'In reality they pay a higher percentage anyway. If you spoke to the average rich person who pays 50 per cent tax they don't use the NHS, they use a private doctor. They are still paying for other people but not using the NHS themselves.'*

(London, age 25–35)

## Reactions to user charges

*'Diabetics can't help it, they shouldn't pay.'*

*(Leeds, age 19–26)*

*'In Australia, you pay for an ambulance. Over here I don't think we should pay for an ambulance but if you get drunk and you get an ambulance and your stomach gets pumped... If you know you have to pay for it, then it might change your behaviour.'*

*(London, age 25–35)*

## Reactions to user charges

*'If parents realised the cost of treatment, they might not let children get obese.'*

(Leeds, age 19–26)

*'I think we all agree planned appointments could be charged but not the full price, just a contribution.'*

(Leeds, age 51–62)

## Weighing up the options

*'Other than the means-tested scenario, poorer people will suffer and rich people will benefit. If you lose some services, rich people can afford private care. If all services are available at a lower standard, rich people can afford top-ups but the poor can't. Out of the three, the only one where the poorest aren't affected is the means-tested scenario.'*

(London, age 16–24)

# Austerity and the NHS

*'Why is the NHS exempt from austerity measures? Every household has to look at how it's spending every pound. Why can't the NHS try to trim the fat? It goes back to overspending. It's like me saying the loaf of bread is cheaper in Tesco's than another supermarket, so I buy the cheaper one.'*

(London, age 25–35)