

Monitoring Review

Monitoring Review 2/16
February 2016

Monitoring Review Final Update

Real Terms Estimates for Health Expenditure in England over the Spending Review Period, 2010-11 to 2014-15

Publication date – June 2013

The Authority published the Monitoring Review Report '*Real Terms Estimates for Health Expenditure in England over the Spending Review Period, 2010-11 to 2014-15*' in June 2013.¹ Annex 1 provides a brief summary of the report and documents actions taken in response to the recommendations.

Statement from the UK Statistics Authority

The published report contained 3 recommendations for HM Treasury and the Office for National Statistics (ONS) to progress.

As of January 2016, all of the recommendations have been satisfactorily completed.

Impact on Official Statistics

The Authority recognises that through the completion of the Monitoring Review recommendations HM Treasury and ONS have enhanced the transparency and clarity of these statistics. We welcome the improvements that have been made and support producers' efforts to improve openness and accountability.

The move to publishing an archive of historic Gross Domestic Product (GDP) deflators has improved the frankness and accessibility of these statistics (Code of Practice, Principle 8, Practice 7). This is further strengthened by the improved guidance and documentation available through the HM Treasury central GDP homepage (Code of Practice, Principle 8, Practice 1). By taking account of user's views, the improved presentation of the figures in the PESA publication helps to improve the public value and trust in these statistics (Code of Practice, Protocol 1, Practice 3).

The Monitoring Review Report 'Measuring 'Real' values: Taking account of price changes over time in statistical analysis' provides further guidance to producers and users on the use of deflators in statistical publications and analysis.

¹ <https://www.statisticsauthority.gov.uk/publication/real-terms-estimates-for-health-expenditure-in-england-over-the-spending-review-period-2010-11-to-2014-15/>

Annex 1

'Real Terms Estimates for Health Expenditure in England over the Spending Review Period, 2010-11 to 2014-15' investigated the accuracy of statements made by the Secretary of State for Health in England and the Shadow Secretary about whether NHS spending in real-terms was increasing or falling over the previous two years. The review identified a number of issues relating to the timing of published figures and the definition of health as a function of government.

The review did not make any specific recommendations; rather it drew a number of conclusions and presented them as advice. We have treated this advice as a set of recommendations.

The published Monitoring Review Report contained 3 recommendations for HM Treasury and ONS to progress

Recommendation 1	
Status – Completed	
Recommendation	Progress
<p>Historic Gross Domestic Product (GDP) deflators and forecasts should be preserved on the web to allow users to carry out retrospective analysis.</p>	<p>Since January 2014, HM Treasury now retains earlier versions of the GDP deflators for retrospective analysis.</p> <p>HM Treasury and ONS have worked jointly to improve the availability and clarity of the GDP figures and the associated deflators. It is now clear that the figures that HM Treasury publishes on GDP deflators are derived directly from the first release of the statistics by ONS. In addition, ONS has added time series data on GDP deflators in order to minimise any additional calculations that need to be carried out by HM Treasury.</p> <p>HM Treasury has also developed a GDP host page² to provide guidance on GDP deflators and also store historic deflators to allow users to carry out retrospective analysis.</p> <p>COMPLETED – JULY 2014</p>

² <https://www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp>

Recommendation 2	
Status – Completed	
Recommendation	Progress
<p>There is scope to provide additional information and explanation in chapter 3 of Public Expenditure Statistical Analyses (PESA) to improve transparency.</p>	<p>Chapter 3 pulls together a commentary on policy changes that have been introduced over the previous year. This is likely to include changes introduced via the Autumn Statement, the Budget and the Parliamentary Supply process. This will also include relevant classifications decisions and machinery of government changes that have impacted upon the numbers. Where possible the changes will continue to be quantified to allow users to understand the impact. This work will cover all the time periods in PESA and where possible reference the changes in the associated table.</p> <p>COMPLETED – JULY 2014</p>

Recommendation 3	
Status – Completed	
Recommendation	Progress
<p>The treatment of depreciation in Chapter 3 of PESA is sometimes confusing. It is excluded from total Departmental Expenditure Limits (DEL), but is included in department's resource DEL (RDEL) budgets. HM Treasury has indicated that it intends to add a table showing RDEL excluding depreciation which will tie in with the presentation elsewhere in PESA.</p>	<p>Resource DEL is now presented as excluding depreciation as suggested.</p> <p>COMPLETED – JULY 2014</p>