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**Ed Humpherson, Director General for Regulation**

Jonathan Ashworth MP  
House of Commons  
London  
SW1 0AA

21 November 2016

Dear Mr Ashworth,

**HEALTH FUNDING**

Thank you for your letter of 1 November to Sir Andrew Dilnot, Chair of the UK Statistics Authority, regarding NHS funding and statements made by representatives of the government about spending on the NHS over the next five years. I have today responded to a similar query from the Dr Porter, Chair of the BMA Council and Sir Andrew has asked me to reply on his behalf.

The UK Statistics Authority has considered the statements made and reflected that for any statement drawing on official statistics or other public data the following principles should be followed:

- the source of the statement should be clear and accessible;
- aspects pertaining to the data such as the time period represented should be clear; and
- it should be very clear about what is being measured and in what context.

The UK Statistics Authority has identified and examined the published data on this topic and notes the following:

- Over a six year period (2014/15 to 2020/21) the Government estimates that real terms spending on “NHS funding” is going to rise by £10 billion (Source: Spending Review<sup>1</sup>)
- Over the five years of the current Parliament (2015/16 to 2020/21) the Government estimates that real terms spending on “NHS funding” is going to rise by £8.4 billion (Source: Written Evidence to Health Select Committee from DH<sup>2</sup>)

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<sup>1</sup> <https://www.gov.uk/government/news/department-of-healths-settlement-at-the-spending-review-2015>

<sup>2</sup> Paragraph 3 and Table 2 at

<http://data.parliament.uk/WrittenEvidence/CommitteeEvidence.svc/EvidenceDocument/Health/Impact%20of%20the%20Comprehensive%20Spending%20Review%20on%20health%20and%20social%20care/written/27323.html>

- Over four years (2016/17 to 2019/20), the National Statistics Publication, '*Public Expenditure Statistical Analysis 2016*' shows the line item 'real terms NHS (Health) spending', reflecting total spending on health, rising by an estimated £2.9 billion (Source: PESA<sup>3</sup>)
- Over the five years of the current Parliament (2015/16 to 2020/21 it can be estimated in constant 2015/16 prices that the Department of Health budget will rise by £4.5 billion in real terms (Source: Health Select Committee<sup>4</sup>)

An issue that appears to have caused confusion is that while NHS England spending is rising, some other elements of the Department of Health budget are decreasing. While the Department of Health has been open when asked about the nature of the estimated real terms increases in health spending and its split between NHS England and the Department's overall budget, the total health spending figures are much less frequently referred to by Government and may be less readily accessible.

Across all areas of health spending, the principal source for statistics about expenditure to date and current future estimates are the Treasury's Public Expenditure Statistical Analysis (PESA) which are designated as National Statistics meaning they have been assessed as meeting the highest standards of trustworthiness, quality and public value.

I will be asking that HM Treasury investigate whether in future they can present estimates for NHS England and total health spending separately. I will also explore with officials producing these figures other ways in which they might ensure clarity around sources, time periods and what is being measured, and in what context, when reporting on the level of increase in real budget allocations to NHS England.

Yours sincerely



Ed Humpherson  
**Director General for Regulation**

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<sup>3</sup> Table 1.11 at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/539465/PESA\\_2016\\_Publication.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/539465/PESA_2016_Publication.pdf)

<sup>4</sup>

[http://www.publications.parliament.uk/pa/cm201617/cmselect/cmhealth/139/13910.htm?utm\\_source=139&utm\\_medium=crbullet&utm\\_campaign=modulereports](http://www.publications.parliament.uk/pa/cm201617/cmselect/cmhealth/139/13910.htm?utm_source=139&utm_medium=crbullet&utm_campaign=modulereports) (See paragraph 62)