Public spending on health in the UK has increased by 3.8% a year on average in real terms since 1978/79, while the economy has grown by an average of just 2.2% per year. Over this period health spending exceeded GDP growth in the majority of OEDC countries.¹

In 2014/15 the UK spent over £135 billion on health services.² On current plans, UK public spending on the NHS will increase to £142 billion in 2020/21.

UK Public spending on the NHS

<table>
<thead>
<tr>
<th>Year</th>
<th>Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>£135 billion</td>
</tr>
<tr>
<td>2020/21</td>
<td>£142 billion</td>
</tr>
</tbody>
</table>

* Predicted on current plans
Health spend per head of population
(in real terms at 2014/15 prices)

- £2160 in Scotland
- £2125 in Northern Ireland
- £2084 in Wales
- £2057 in England

Source: Nuffield Trust
The Government spent £117.2 billion on the NHS in England (departmental expenditure limit) in 2014/15, a 3.5% real term increase from the previous year. In future years the annual % increase will drop off significantly.

The FYFV (five year forward view) estimated that the NHS in England would have a £30 billion a year gap by 2020/21. It has been suggested that a funding increase of £8 billion and annual efficiency savings of £22 billion are needed to close the gap.

In 2016 the Department of Health reported the largest deficits existing within the NHS to date. The aggregated deficit among NHS providers and commissioners had a threefold increase from 2014/15 to 2015/16.

NHS funding on General Practice

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of NHS funding spent on General Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005/06</td>
<td>10.4%</td>
</tr>
<tr>
<td>2014/15</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

Audit Scotland have reported that NHS boards are finding it increasingly difficult to meet efficiency targets and deliver services within financial constraints.9

In 2015/16 £291 million was saved by NHS boards; 32% of health board savings are non-reoccurring.9
Wales

For 2015/16 the Welsh Government spent £6.6 billion on health and social care services.\(^1\)

The Nuffield Trust estimated a £2.5 billion funding gap for the NHS in Wales by 2025/26. This estimate includes efficiency savings worth 3.7% a year in real terms after 2015/16.\(^1\)

Since 2011 the NHS has reported making £800 million in savings. The vast majority of this has come from efficiency savings. A recent Audit Wales report found that savings tended to happen in the final quarter of the financial year, which indicates that these are only short term solutions to financial constraints.\(^1\)

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