2024 GENERAL ELECTION BRIEF

Health and social care

FRASER OF ALLANDER INSTITUTE UNIVERSITY OF STRATHCLYDE



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Health - what have parties said so far?

Given that Health is fully devolved, we might have expected that the focus might not be on the Health Service in Scotland in this General Election campaign so far.

However, <u>regular polling</u> of the Scottish population shows that along with the cost of living, the Health Service is the issue that is most in everyone's minds. Therefore, whether the politicians that are standing in this election are actually able to influence the Scottish Health Service doesn't seem to matter: concerns around the Health Service can and will influence how people will vote.

As we set out in our <u>devolution brief</u>, though, there is a link between the promises that are made by any future UK Government and money that will be generated for the Scottish Budget, through the operation of the Barnett formula. The Scottish Government is not required to spend these on Health, but the commitment in recent years has been to commit to passing these on "in full" to the Health Service in Scotland.

Labour in particular have acknowledged that investment in the NHS in England will mean that consequentials will be generated for the Scottish health budget – £130m, which suggests an investment at the UK level of around £1.5 billion. This level of investment is not nothing, of course, but these sums are small in the context of the size of the Health Budgets in both jurisdictions.

The focus of investments being set out by many of the parties seems to be on extra appointments, which are being talked about as there is the perception that these will bring down waiting lists. We will have to wait for the details in the manifestos to understand how these commitments interact with plans for the Health workforce and/or use of private sector capacity. The Conservatives have also announced that they will be building 100 new GP surgeries in England – again, it will be good to see the details of this in terms of timescales to understand the impact on Barnett consequentials. The Green Party of England and Wales have announced there will be £30bn extra for the NHS in England, including significant funding for salary rises and capital investment.

So despite the Scottish Health Service being devolved and in theory "not on the ballot", it is likely that Health will be one of the areas with the most material that will come out of the manifestos.

What do we know about the performance of the health service in different parts of the UK?

In an era where the Health Service is in crisis across the UK, politicians of all parties have been keen to present figures to essentially say "it's not great here, but at least it is better than....". This is understandable from a political point of view, but it is likely to be very frustrating to people who really feel that the service they are receiving is not as good as it has been in the past.

There's also a real difficulty in comparing figures across administrations, which can add to the temptations for politicians to cherry-pick figures – there are always figures that can be found that can make one jurisdiction look better than others, particularly when we are talking about waiting lists. (See, for example, this <u>really helpful blog</u> from the Welsh Chief Statistician on some of the challenges of comparing data.)

The Office for National Statistics Coherence Team has been working with the Devolved Administrations across several devolved policy areas, to bring together data that can be compared to see how performance varies across the UK in a more meaningful way. For example, ONS published data on A&E waiting times in February, which does allow people to see that a higher percentage of people in England and Wales are waiting longer than four hours in A&E than in Scotland: but that it has always been the case that the Scottish figure tends to be lower. In addition, we can see that the population in England (per 100,000 people) are less likely to attend A&E.

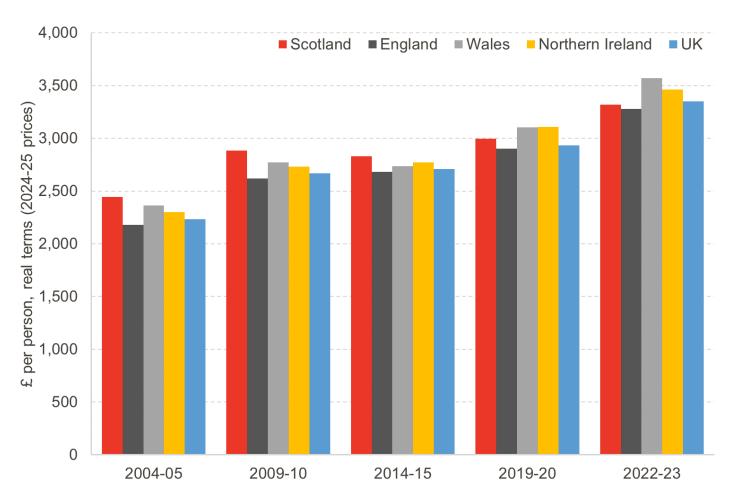
What is spent on health in different parts of the UK?

Growth in health spending per person slowed down across the UK after 2009. In the years prior, it had been growing at 3.3% a year in real terms; in the 14 years since, average annual growth has been only 1.8%.

This slowdown has been particularly acute in Scotland, for which growth has been just 1.2% on a per person basis. For comparison, spending in England has grown by 2.0% a year in real terms, with other devolved nations' levels of spending growing at 2.1% (Wales) and 1.9% (Northern Ireland).

This has meant that health spending in Scotland has gone **from being 10% higher per person than the UK average 20 years ago to being 1% lower**. Of course, health is devolved, with the Scottish Government receiving additional funding in line with additions to spending in England - as indeed to the Welsh Government and the Northern Ireland Executive. The latter two have increased spending roughly in line with English spending, but the Scottish Government has not.

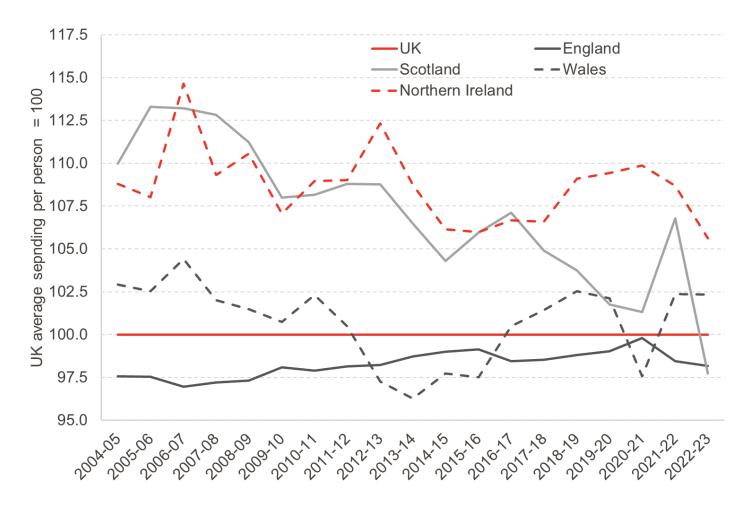
Chart 1: Unadjusted real-terms spending on health per person



Sources: HM Treasury PESA; ONS; NRS; NISRA; OBR; FAI analysis

When comparing health spending, however, it's important to take into account the age composition of the population. This reflects the fact that health spending tends to be higher than average in the very first years of life, as well as for those aged 65 and over. We use the OBR's representative age profiles to calculate these, with the results below.

Chart 2: Age-adjusted real-terms spending on health per person relative to the UK average



Sources: HM Treasury PESA; ONS; NRS; NISRA; OBR; FAI analysis

The age-adjusted figures reveal a bit more under the surface. Scotland's population is ageing slightly more rapidly than that of the UK as a whole, and therefore spending on an age-adjusted basis has been on a steady downward trajectory.

This means that in 2022-23, **age-adjusted health spending per person in Scotland was 2.3% below the UK average**, and the lowest of any of the four nations - just below that of England. The largest difference relating to age adjustments however is in Wales: its older population means that although spending is 7% higher on a per person basis, it's only 2% higher when accounting for the differences in the age structure.

Adult social care – what have parties said so far?

Ever the poor relation in conversations in this area, social care has not been talked about by the politicians to date nearly as much as the Health Service: despite one of the areas putting pressure on the Health Service being the lack of provision of social care packages in the community.

However, if, when the manifestos land, there are proposals for changes to social care provision, it is likely that the focus from the UK parties will be on social care in England. So, again, although not

officially "on the ballot", this too will have implications for Barnett consequentials and devolved funding.

Above, we talked about the difficulties of comparing the performance of the health systems across the UK: the challenge for social care is even greater, with adult social care services being delivered by local authorities across the UK.

The adult social system in Scotland combines some funding to which everyone is entitled if they are assessed as needing care. This financial support is called 'Free Personal and Nursing Care'. Yet there is also a financial means-test to determine whether the state will cover any remaining care costs.

This means-test depends on your total 'capital' – which includes property, money in bank accounts and physical cash.

The arrangements in Scotland contrast with those in England, where there is no universal payment and where the means-tests thresholds are currently higher.

The Liberal Democrats have made a big policy announcement on social care, announcing free personal care to older or disabled people at home, as well as a carer's minimum wage (£2 above standard minimum wage). This system has been branded as bringing England into line with the system in Scotland. They say it will free up 12,700 beds in English hospitals and save the NHS £3bn. The Health Foundation have said this would cost around £6 billion to implement by 2026-27.

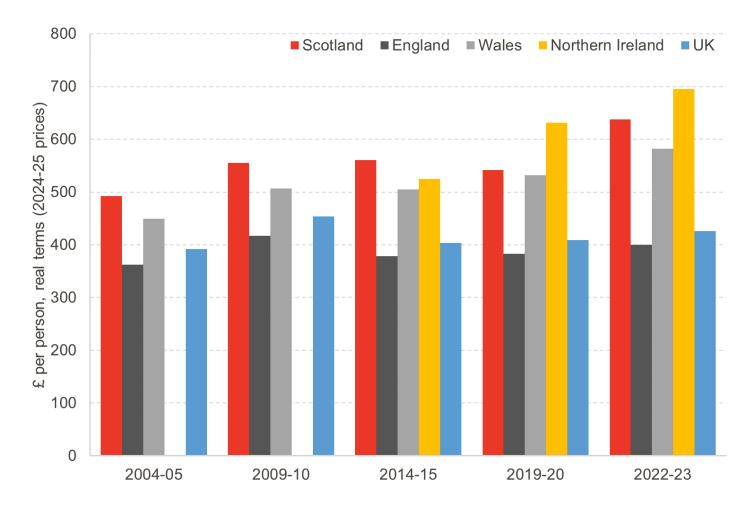
The Green Party of England and Wales have also pledged £20bn extra a year for social care, which they also say should be used to fund a free personal care offer.

What is spent on adult social care in different parts of the UK?

On social care, the level of spending in the devolved nations is much higher than in England, which is the clear outlier. In fact, **spending per person in England was nearly 20% lower in 2022-23 than it was in Scotland or Wales 18 years prior**.

In fact, adult social care spending per person in England declined in real terms in every year between 2009-10 and 2015-16, at a rate of 2% a year, coinciding with the largest cuts to local government funding. By 2022-23, it still remained 4% below its high point in 2009-10, as successive governments continued to drag their feet on funding reforms.

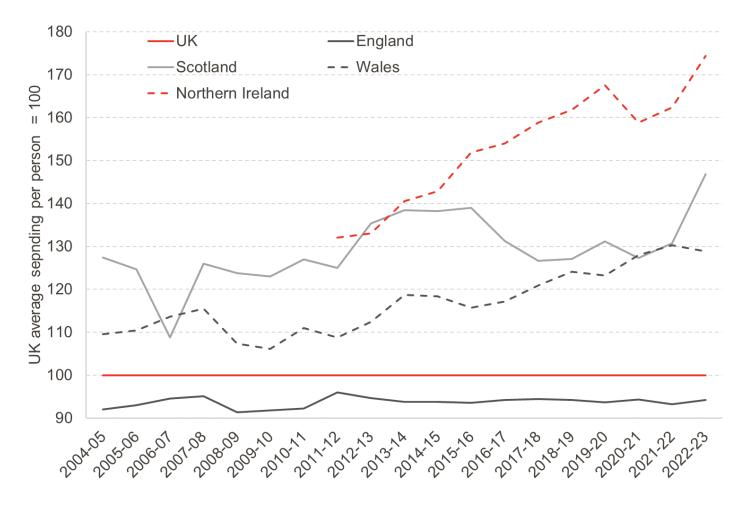
Chart 3: Unadjusted real-terms spending on adult social care per person



Sources: HM Treasury PESA; ONS; NRS; NISRA; OBR; FAI analysis. Northern Ireland data issues mean that comparable data is not available prior to 2011-12.

Looking at age-adjusted spending reduces the gap between England and the UK average slightly, mainly due to the former's slightly younger population. Spending has been growing most quickly in Northern Ireland, with Scotland's uptick in 2022-23 reversing a few years of trending in the direction of the UK average. But all three devolved nations' spending on this metric is still far and above the UK average: 29% for Wales, 47% for Scotland and 74% for Northern Ireland.

Chart 4: Age-adjusted real-terms spending on adult social care per person relative to the UK average



Sources: HM Treasury PESA; ONS; NRS; NISRA; OBR; FAI analysis

Our next event

Fraser of Allander Institute General Election Webinar Special Guest - Professor Sir John Curtice

Friday 14 June 2024

09:30 - 10:45 (GMT) | Online

Join the <u>FAI</u> team to hear their latest analysis on the general election announcements and what they mean (or don't mean!) for Scotland. The various promises and claims made will be examined, and we'll discuss how these interact with the devolution settlement - if, indeed, the parties have made this clear!

The team will be joined by polling legend Professor Sir John Curtice, who will reflect on what the latest polls are telling us about the result, both for the UK and Scotland.

Register here

Registered attendees will be sent the join details for the webinar by email on the morning of 14 June 2024.

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