



**The  
Health  
Foundation**

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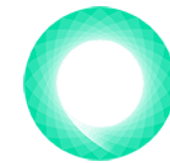
**REAL Centre**

# REAL Centre

## What will the NHS look like at 100? REAL Challenge Annual Lecture

**Diane Coyle**

9 November 2023



**Bennett Institute  
for Public Policy**  
Cambridge



**UNIVERSITY OF  
CAMBRIDGE**



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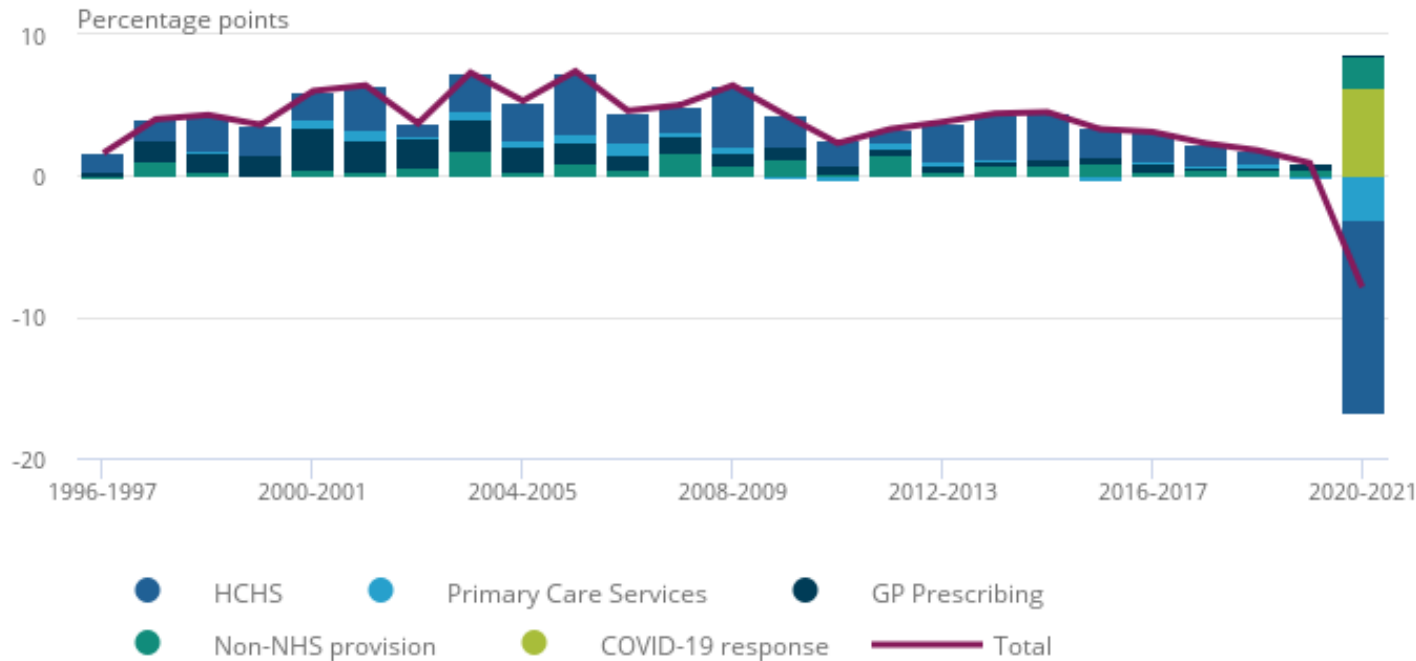
# Introduction

- Productivity is fundamental to the future of the NHS
- Pressures are intensifying – on the supply and demand side
- The health system is infrastructure – implications for investment
- Digitisation as process innovation – implications for NHS culture and hierarchy
- Demand management
- The economics of the public/private boundary
- The unsustainable is not sustained

# What has been happening to productivity?

Figure 2: Total healthcare outputs posted a large fall in FYE 2021

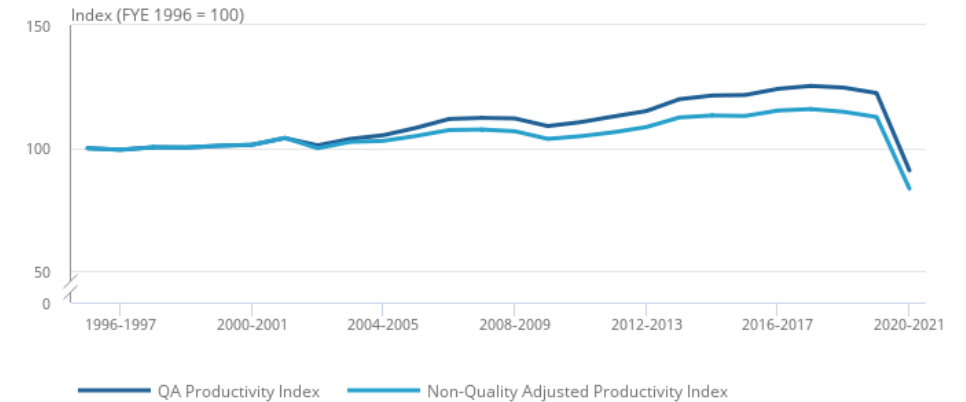
Contributions to annual change in public service healthcare output volumes by component, England, financial year ending (FYE) 1997 to FYE 2021



Source: Public service productivity from the Office for National Statistics

Figure 4: Public service healthcare quality and non-quality adjusted productivity strongly decreased, respectively, by 25.6% and 25.9% in FYE 2021

Public service healthcare quality and quantity productivity indices, England, financial year ending (FYE) 1996 to FYE 2021



Source: Public service productivity from the Office for National Statistics

# Measurement issues

Productivity = outputs/inputs

Quality  
adjustment  
(outcome  
measures &  
surveyed  
service quality)

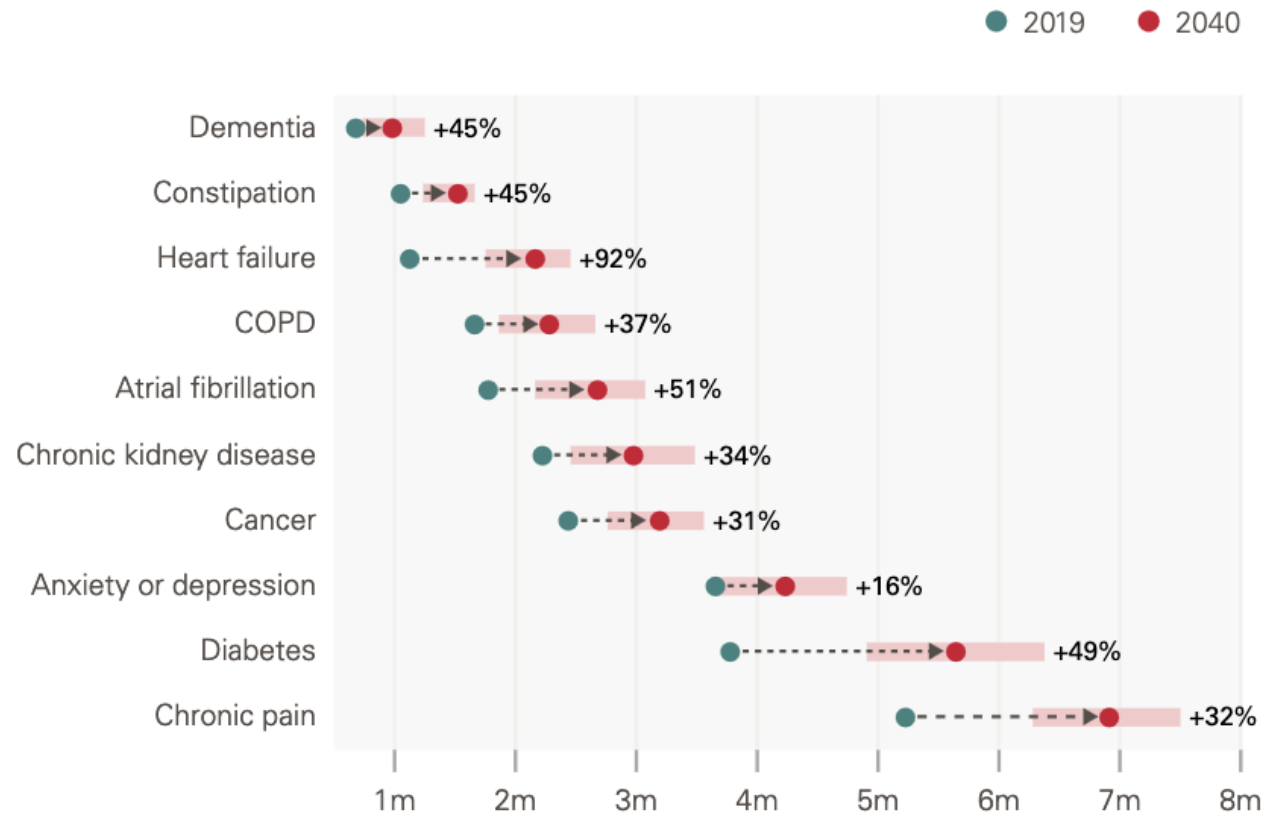
Number of  
activities,  
weighted by  
cost (higher  
costs raise  
output)

Volume terms  
(deflated)

Weighted by  
share of total  
expenditure

# Demand pressures increasing

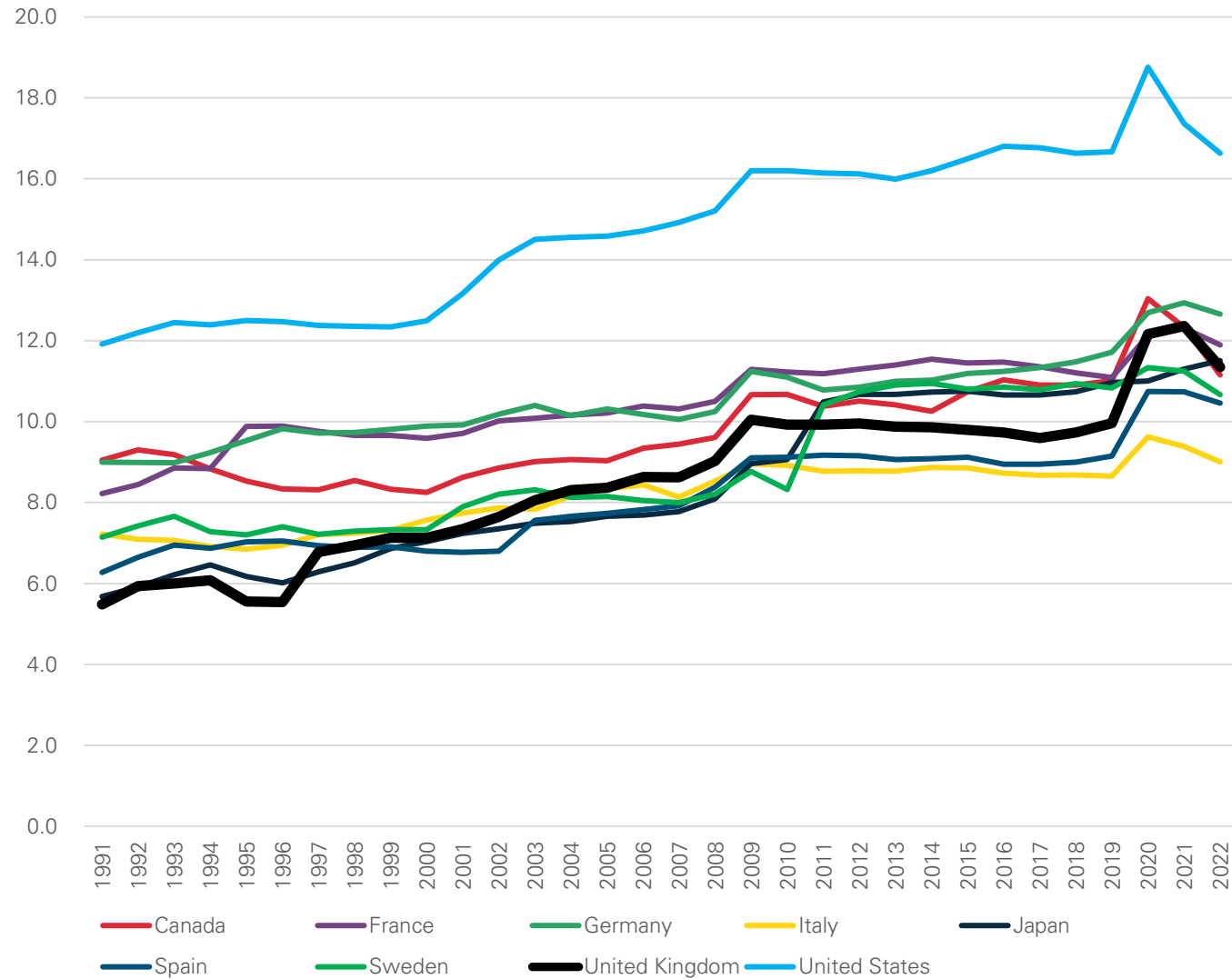
**Figure E3: Projected total number of diagnosed cases for the 10 conditions with the highest impact on health care use and mortality among those aged 30 years and older, including demographic changes, England, 2019 and projected for 2040**



<https://www.health.org.uk/publications/health-in-2040>  
July 2023

# Dr Baumol's bitter medicine

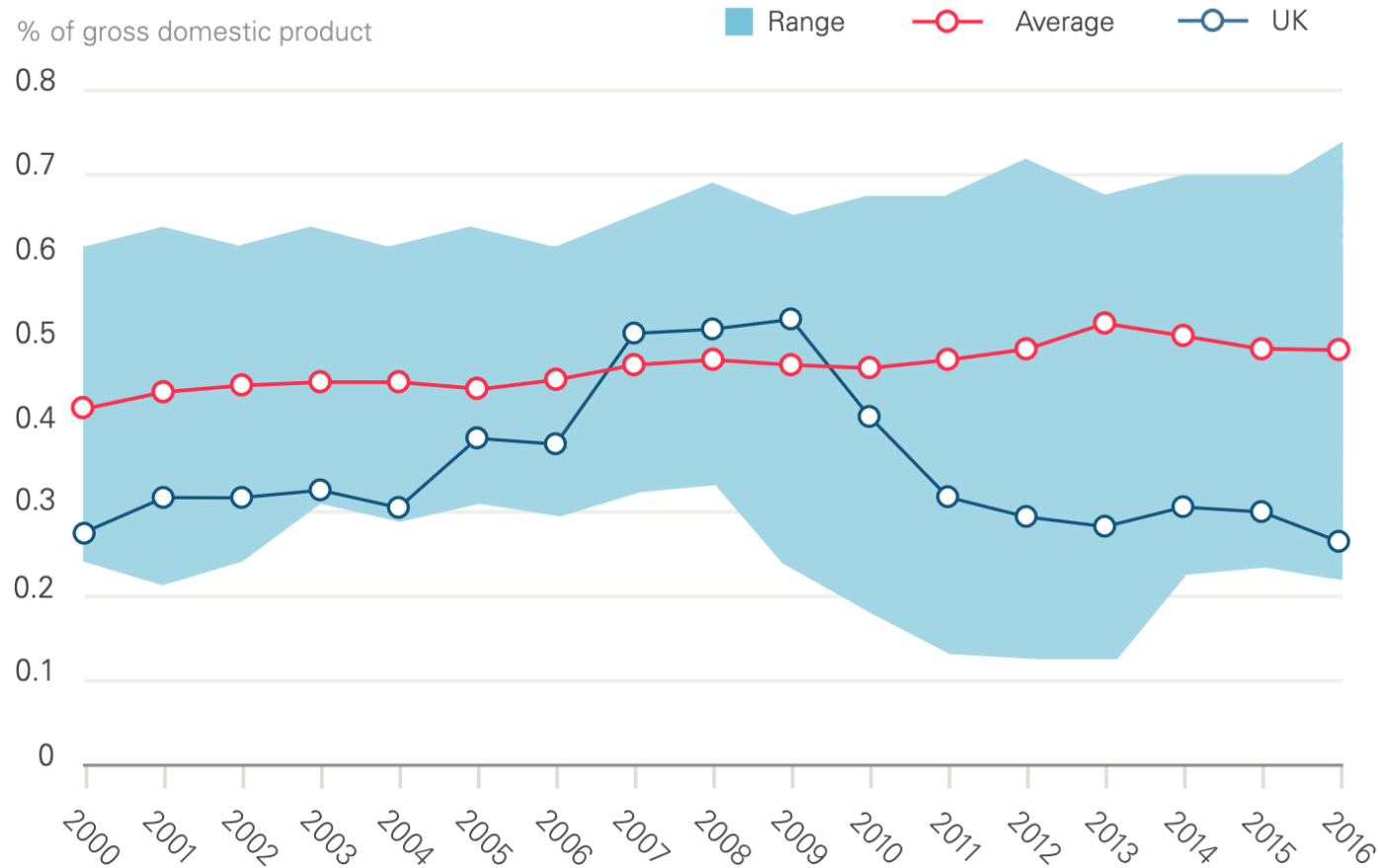
All health expenditure, % of GDP



Source: OECD

# Long-term underinvestment

Figure 2: Fixed capital formation in health care, 2000–2016, OECD countries



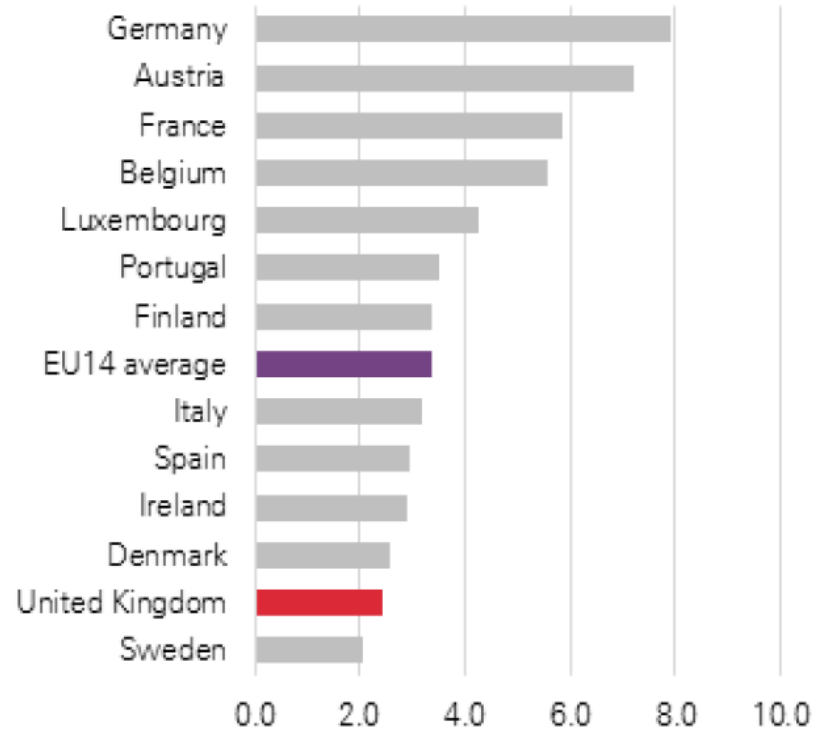
[https://www.health.org.uk/publications/reports/failing-to-capitalise 2019](https://www.health.org.uk/publications/reports/failing-to-capitalise-2019)

Source: Organisation for Economic Co-operation and Development (OECD) data for OECD countries for which data for all years were available: Austria, Canada, Denmark, Finland, France, Greece, Ireland, Norway, Sweden, USA.

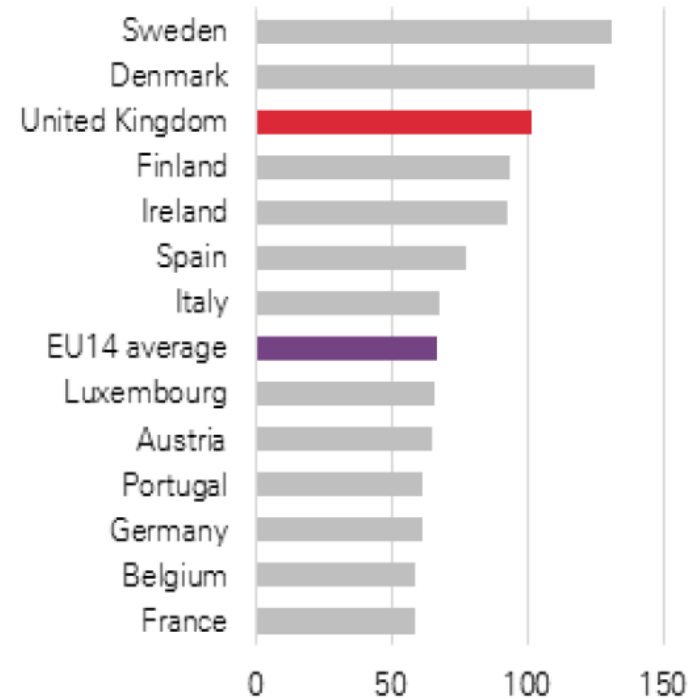


# Healthcare as infrastructure

Hospital beds per 1,000 population, 2019.



Inpatient and curative discharges per bed, 2019.



# What is to be done?

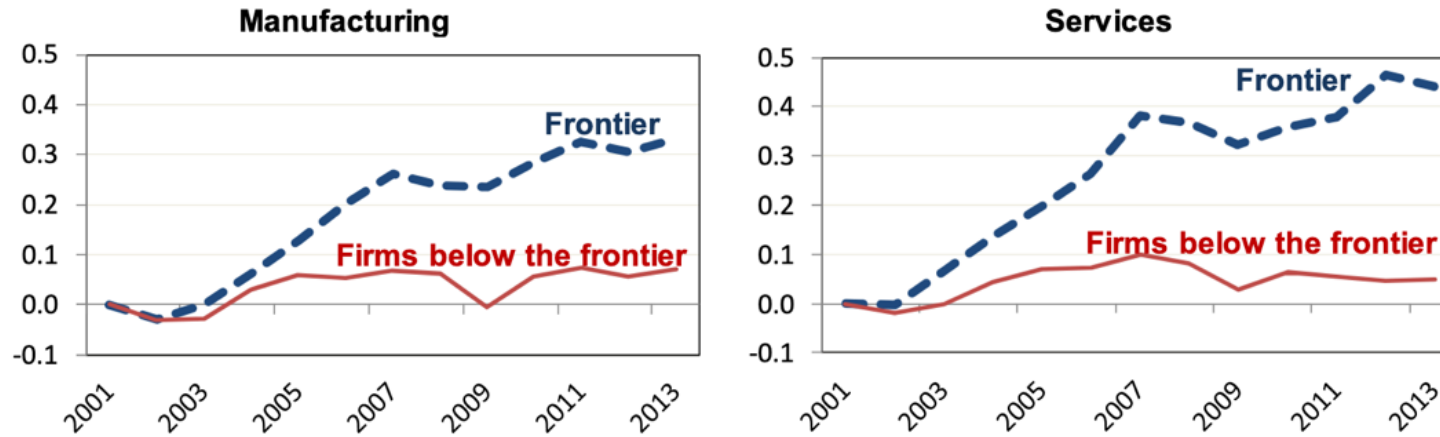
- Investment in capacity and especially in digital
- ‘Demand management’
- The health provision model

# Challenges of data and digital

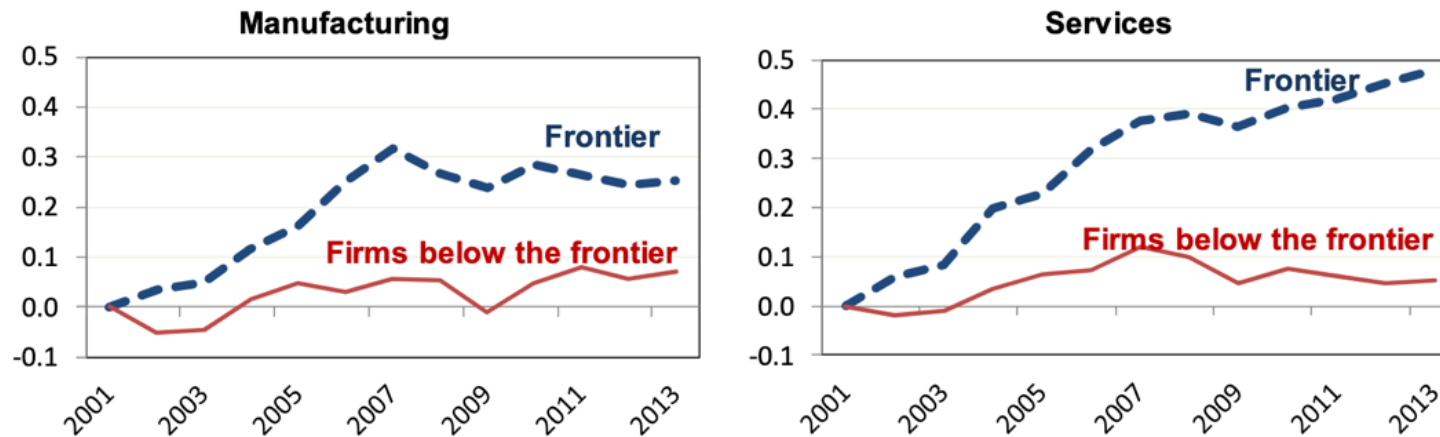
	Commitment met	£	Impact	Appropriateness	Overall
Use of NHS app	Green	Yellow	Yellow	Yellow	Yellow
Single record	Red	Red	Red	Red	Red
Patient monitoring	Yellow	Yellow	Yellow	Yellow	Yellow
Research data	Yellow	Green	Yellow	Yellow	Yellow
GP data	Red	Red	Red	Red	Red
Digital workforce strategy	Red	Yellow	Red	Red	Red
Digital skills	Red	Red	Red	Red	Red
Technology contracting	Yellow	Yellow	Yellow	Yellow	Yellow

# Digital use increases productivity dispersion

A: Labor productivity



B: Multi-factor productivity (MFP)

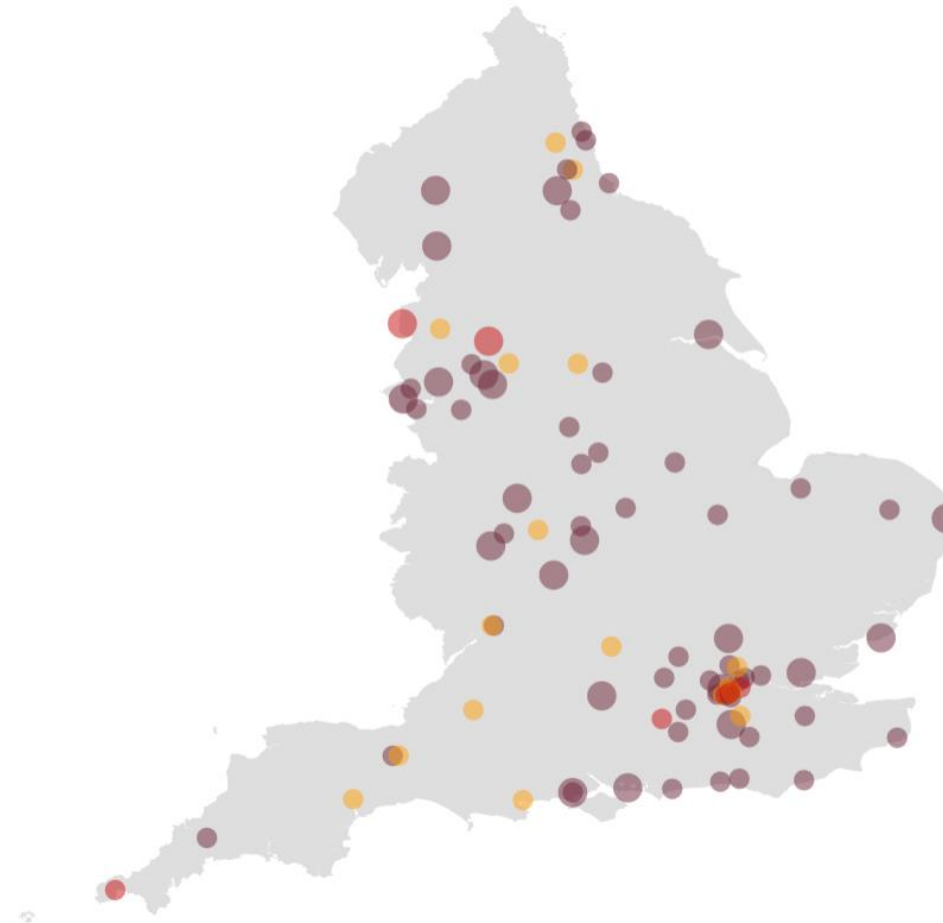


# Changing NHS culture

## Community Diagnostic Centres

Estimated location of CDC's in England as of September 2022

■ Hospital ■ Primary care site ■ Community location



The map is based on post-code analysis of a list The King's Fund obtained of the current operational CDCs, which showed 17 CDCs in the community. Hospital locations include acute and community hospitals

TheKingsFund

<https://www.kingsfund.org.uk/blog/2022/10/are-community-diagnostic-centres-really-moving-care-closer-home>

# Nanny versus nurse

- Preventive care
- Changing individual behaviour
- Changing society
- Poverty and inequality



**Andy Cox**  
@AndyCoxDCS



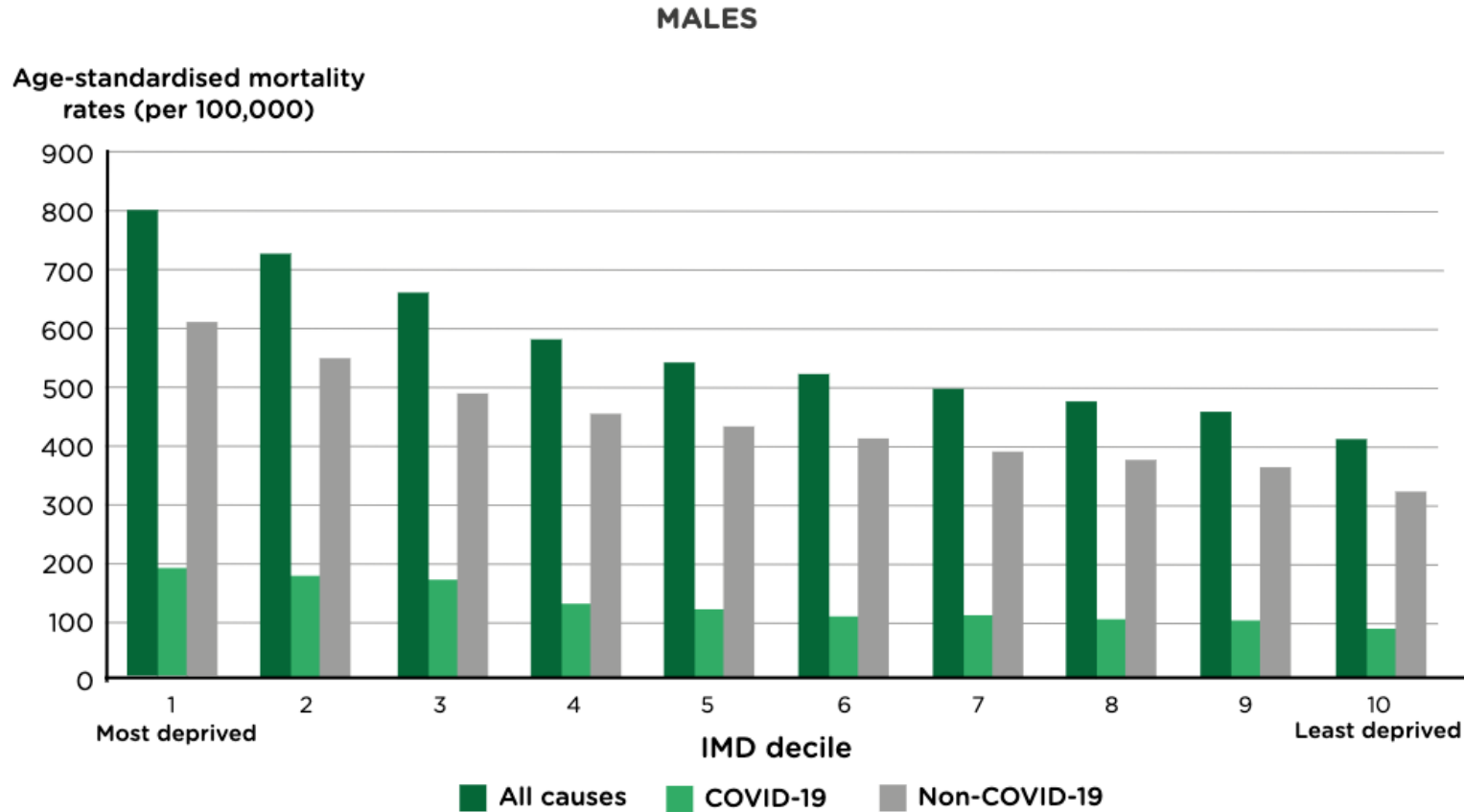
In the UK during 2022, 1,711 people died and 28,031 people were seriously injured in road crashes. There is no other transport method in which society would accept this level of harm. So why is there not extensive coverage and debate about this appalling level of road harm?

29/09/2023, 11:43



# Deadly deprivation

Figure 2.7. Age-standardised mortality rates from all causes, COVID-19 and other causes (per 100,000), by sex and deprivation deciles in England, for deaths occurring between March and July 2020.

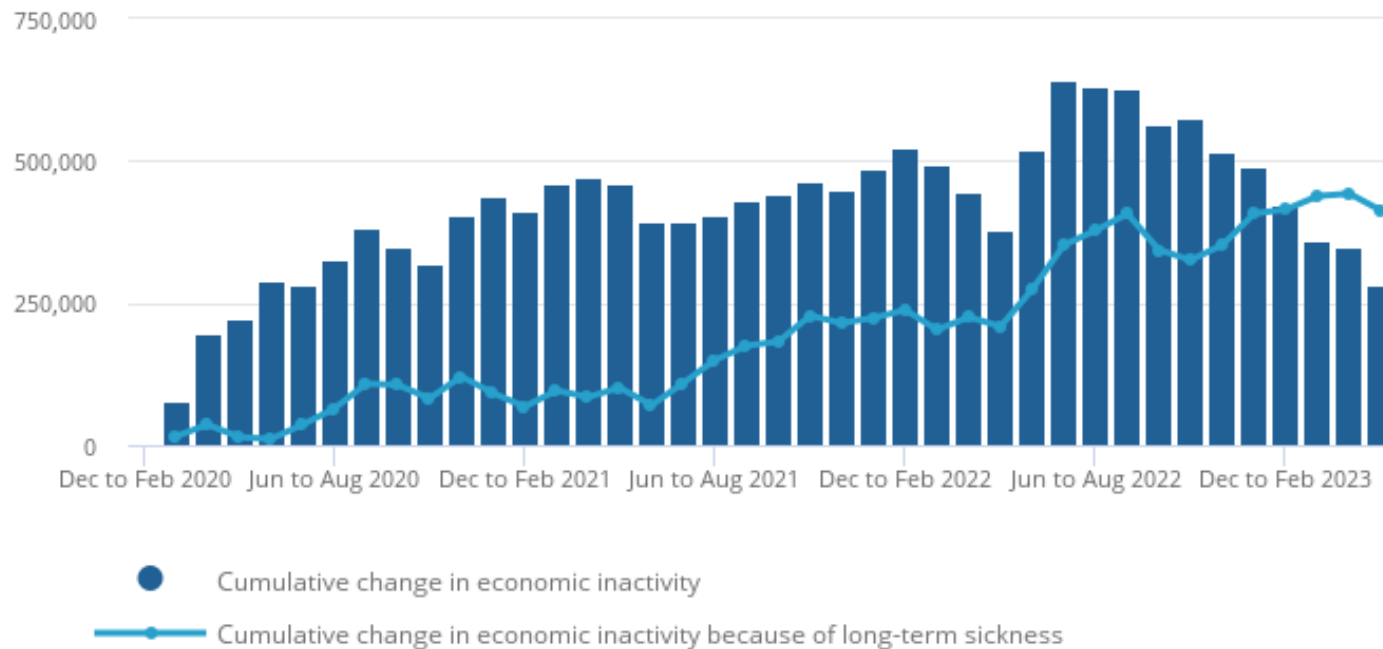


<https://www.instituteofhealthequity.org/resources-reports/build-back-fairer-the-covid-19-marmot-review/build-back-fairer-the-covid-19-marmot-review-full-report.pdf>

# The bigger productivity picture

Figure 1: Overall economic inactivity has been decreasing since May to July 2022, whereas inactivity because of long-term sickness has generally continued to increase

Cumulative change in economic inactivity (seasonally adjusted), people aged 16 to 64 years, December to February 2020 to March to May 2023

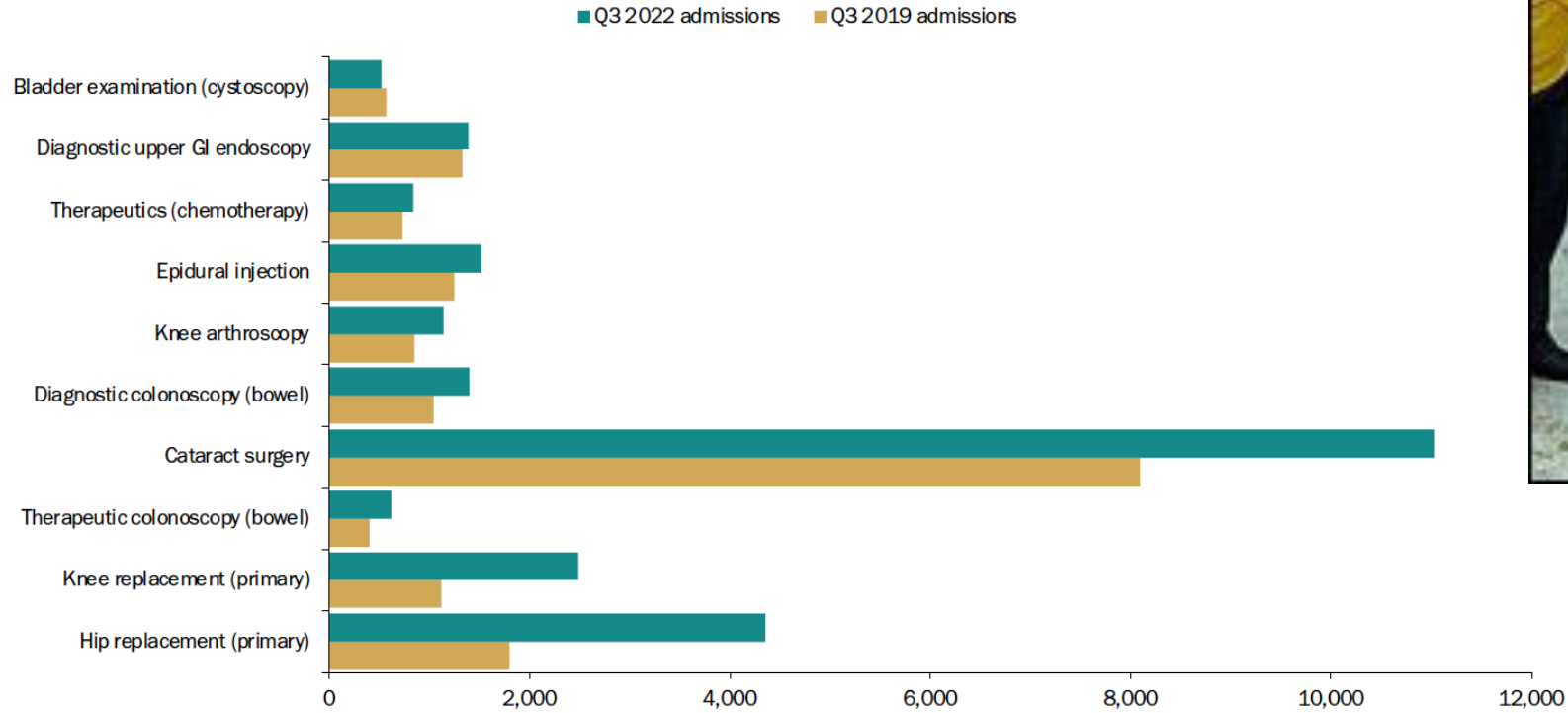


<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/economicinactivity/articles/risingillhealthandeconomicinactivitybecauseoflongtermsicknessuk/2019to2023>



# The boundaries of the NHS

Figure 1.5  
Top ten self-pay procedures by admission volumes Q3 2019 and Q3 2022



Source: PHIN March 2023 and LaingBuisson

# What is to be done?

- Organisational and management quality improvement in the NHS: hierarchies & culture
- More investment: a longer-term funding perspective
- The limits of NHS provision

Join at [slido.com](https://slido.com)

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