



**Senior Clinical Leaders  
Big Numbers**

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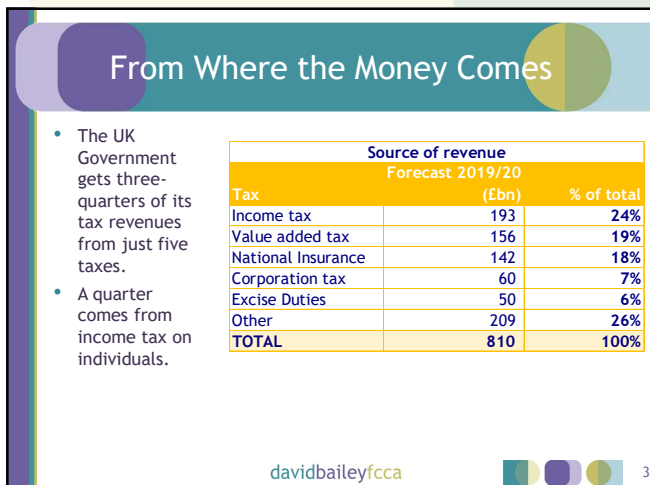
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**Senior Clinical Leaders  
Programme Objectives**

- By the end of the workshop, you will be able to identify:
  - Sources and applications of funds by the UK Government
  - The funding structure of the NHS
  - NHS Finance and health economics

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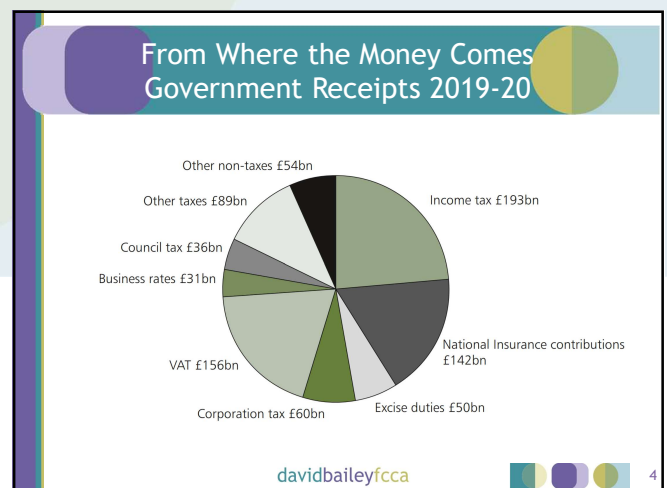


**From Where the Money Comes**

- The UK Government gets three-quarters of its tax revenues from just five taxes.
- A quarter comes from income tax on individuals.

Source of revenue Forecast 2019/20		
Tax	(£bn)	% of total
Income tax	193	24%
Value added tax	156	19%
National Insurance	142	18%
Corporation tax	60	7%
Excise Duties	50	6%
Other	209	26%
<b>TOTAL</b>	<b>810</b>	<b>100%</b>

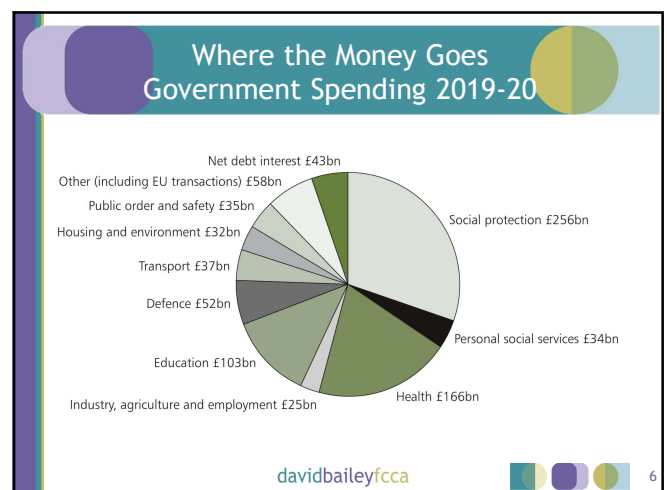
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**To Where the Money Goes**

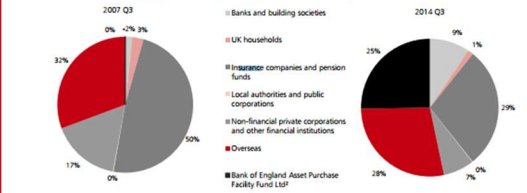
Expenditure Forecast 2019/20		
Department	(£bn)	% of total
Social Protection	256	30%
Health	166	20%
Education	103	12%
Other expenditure	59	7%
Defence	52	6%
Debt Interest	43	5%
Transport	37	4%
Public Order and Safety	35	4%
Personal & Social Servs	34	4%
Housing & Environment	32	4%
Industry Agriculture & Employment	25	3%
<b>TOTAL</b>	<b>842</b>	<b>100%</b>

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## Who owns the UK's debt?

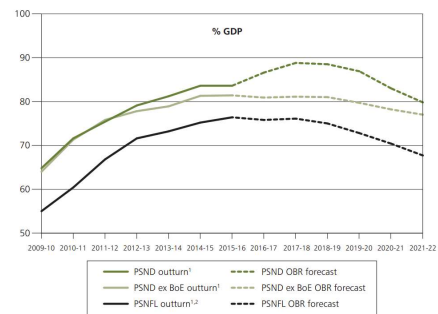
Chart A.4: Gilt holdings by sector (£ billion, market value)<sup>1</sup>



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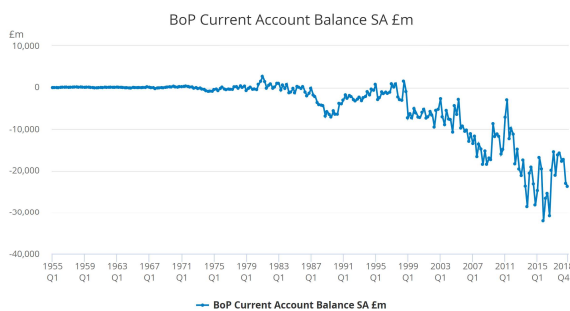
## Our National Debt as a % of GDP



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## The Balance of Payments Deficit

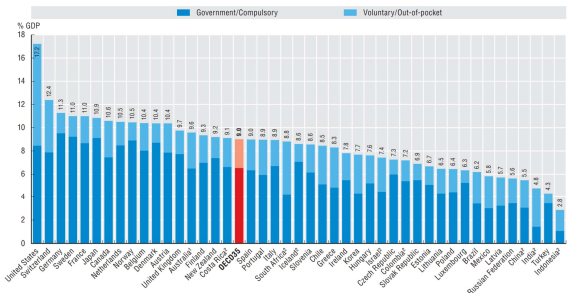


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## Percentage of GDP Spending on Health

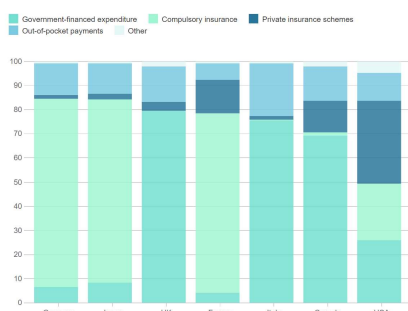
7.3. Health expenditure as a share of GDP, 2016 (or nearest year)



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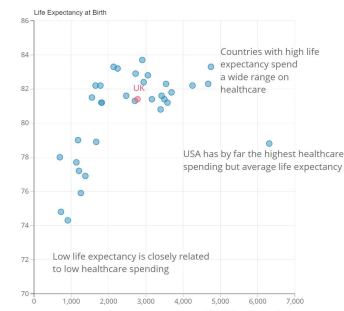
## Share of Healthcare Expenditure by Financing Scheme



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## Life Expectancy at Birth v Healthcare Expenditure



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## OECD Health Data 2017

- Total health spending in the UK was 8.5% of GDP.
- We have 2.8 practising physicians per 1,000 population, up from 2.0 in 2000. The OECD average is 3.4 doctors per 1,000 population.
- Life expectancy at birth is 81 years, the OECD average is 80.6.
- The UK has 2.8 beds per 1,000 population. The average is 4.8.



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## NHS Facts and Figures (1 of 2)

### In a typical week

- District nurse face to face contacts
- Outpatient attendances
- Mental Health Inpatient Bed days
- Paramedic Services: Category A / Red

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## NHS Facts and Figures (2 of 2)

### In a typical week

- A&E Services: Leading to Admitted
- Fitting of Hearing Aids
- Community Mental Health Face to Face
- Renal Dialysis

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## Which NHS?



- England is under the Department of Health
  - "The aim of the Department of Health is to improve the health and well-being of people in England."
- Wales, Northern Ireland and Scotland are under their own constitutional arrangements
- Some organisational differences:
  - e.g. Northern Ireland Boards cover Social Services
  - e.g. Wales has Local Health Boards not CCGs

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## Accountability and Funding

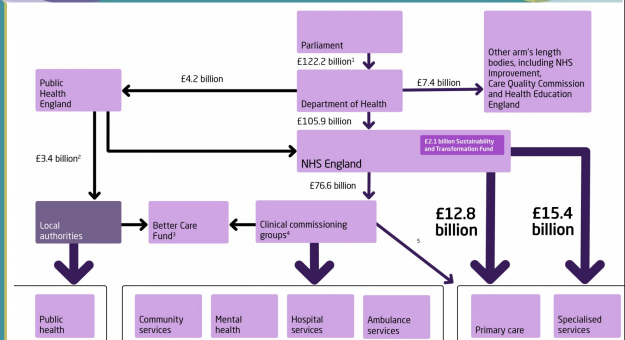
- Department of Health
- NHS England
- NHS England Area Teams
- Clinical Commissioning Groups
- NHS Foundation Trusts / Other providers
- Commissioning Support Units
- Parliament
- Care Quality Commission
- NHS Improvement
- Healthwatch

What is the funding and accountability structure?

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## Funding Structure



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The Three Methods of Accounting		
Method	£ in	£ out
Cash	Receipts	Payments
Accruals	Income	Expenditure
Commitments	Committed income	Committed expenditure

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Generic Economic Model The Green Book	
1. Sunk Costs	
2. Opportunity Costs	
3. Transfer Payments	
4. Avoided Costs	
5. Transition Costs	

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Finance and Economics The Difference	
Finance	Economics
<ul style="list-style-type: none"> <li>This year / next year</li> <li>Income and Expenditure</li> <li>Including only costs to the organisation</li> </ul> <p>"Can our organisation afford it?"</p>	<ul style="list-style-type: none"> <li>60 years</li> <li>Total discounted cash flow</li> <li>Including all costs to the Public Sector</li> </ul> <p>"Is it the best value for money for the Public Sector?"</p>

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