

The Wanless review: 17 years on

Professor Peter Kopelman

January 2019

Securing our Future Health: Taking a Long Term View was commissioned by the then Chancellor of the Exchequer, Gordon Brown, rather than the Department of Health, to identify how best to close the unacceptable gap in health services performance both within the United Kingdom and between the United Kingdom and other developed countries.¹ It was the first time such long-term funding projections for the NHS had been undertaken. The review was published at a time of significant growth and expansion of the UK economy.

Box 1: Wanless scenario spending assumptions

The review outlined three possible spending scenarios for healthcare up to 2022/3 – ‘solid progress’, ‘slow uptake’ and ‘fully engaged’ – each reflecting different assumptions about the effectiveness of NHS performance and the health status of the population.

- **Scenario 1 – Solid progress:** People become more engaged in relation to their health. Life expectancy rises considerably, health status improves and people have confidence in the primary care system and use it more appropriately. The health service becomes more responsive, with high rates of technology uptake, extensive use of ICT and more efficient use of resources.
- **Scenario 2 – Slow uptake:** There is no change in the level of public engagement. Life expectancy rises, but by the smallest amount in all three scenarios. The health status of the population is constant or deteriorates. The health service is relatively unresponsive with low rates of technology uptake and low productivity.
- **Scenario 3 – Fully engaged:** Levels of public engagement in relation to their health are high. Life expectancy increases go beyond current forecasts, health status improves dramatically and people are confident in the health system and demand high quality care. The health service is responsive with high rates of technology uptake, particularly in relation to disease prevention. Use of resources is more efficient.

The key determinants of projected overall NHS resource requirements

The Wanless review highlighted five key factors that “would result in lower projected overall resource requirements”. These factors made it clear that the recommended level of spending on the health service would not succeed in transforming outcomes unless it was accompanied by radical reform to tackle underlying problems such as excessive waiting times, poor access to services, poor quality of care and poor outcomes. While the review did not go into detail about the policies

the government should pursue to keep spending and performance in line with its assumptions, it did set out the five factors on how healthcare policy should be developed and included a number of more specific recommendations for policy-makers (the latter are listed in full at the end of the article).

The key factors included:

- The need for **improved productivity**, significantly better than that assumed in the ‘solid progress’ and ‘fully engaged’ scenarios as a result of substantial improvements in the way in which the health service used its resources.
- The importance of **greater success in public health** with a substantially larger positive impact on health needs from the focus on health promotion and disease prevention.
- A requirement for **delivering a high quality service over a longer period of time**, indeed, beyond the 20 years of the review. This underlined the critical importance of investment in Information Communication Technology (ICT) to ensure that systems across the UK are fully compatible with each other.

To underpin these broad improvements, the review stressed the importance of “rigorous, regular and independent audit” to ensure that money is being well spent with policies being re-assessed to permit “continuing trade-offs to be made and debated publicly”.

Spending projections

A key outcome of Wanless’ analysis is that a ‘fully engaged’ service was the least expensive and resulted in the best outcomes. The ‘slow uptake’ scenario resulted in the worst outcomes and cost the most. The review examined three profiles of spending in five-year blocks and emphasised the importance of front-loading funding. If this was to happen, it predicted that the fastest period of growth in spend would be in the early years, reflecting the need to deliver improvements as quickly and as sensibly as possible. This included effective strategies and policies for health promotion and the prevention of ill health. Over the following five years, NHS spending would grow at an average annual rate of between 7.1% and 7.3%. The growth rate then would ease back although remaining well above the historic average. During the second decade, as an increasing amount of the ‘catch up’ spending had been undertaken, growth would reduce further to between 2.4% a year in ‘fully engaged’ and 3.5% a year in ‘slow uptake’ scenarios.

It is evident from the spending estimates that not only has growth in NHS funding stalled over recent years but also the overall annual health spend has fallen well short of that proposed by the Wanless review, even when the recent additional £20bn promised by government is included². In this context, the continuing financial

1 Wanless, D. (2002) *Securing our future health: taking a long-term view*. Final Report. Available at: https://webarchive.nationalarchives.gov.uk/20080727020907/http://www.hm-treasury.gov.uk/consultations_and_legislation/wanless/consult_wanless_final.cfm

2 The review’s spending estimates for the three scenarios are summarised in Table 1. Equivalent actual figure – government expenditure on health

crisis of today's NHS is unsurprising. Sadly, measured outcomes in the current NHS fall far short of those suggested by Wanless for the 'slow uptake' scenario, notably falling life expectancy and a widening inequality across society of those social determinants that damage health.

Table 1: Wanless Spending estimates³

	2002 /03	2007 /08	2012 /13	2017 /18	2022 /23
Total health spend (%GDP)					
Solid progress	7.7	9.4	10.5	10.9	11.1
Slow uptake	7.7	9.5	11.9	11.9	12.5
Fully engaged	7.7	9.4	10.3	10.6	10.6
Current actual				9.9	
Total NHS spend (£bn 2002-03 prices)					
Solid progress	68	96	121	141	161
Slow uptake	68	97	127	155	184
Fully engaged	68	96	119	137	154
Current actual				108.2	
Average annual real growth in NHS spend (%)					
Solid progress	6.8	7.1	4.7	3.1	2.7
Slow uptake	6.8	7.3	5.6	4.0	3.5
Fully engaged	6.8	7.1	4.4	2.8	2.4
Current actual				1.6	

Local delivery and improved integration of health and social care

Beyond resource requirements, Wanless made a number of recommendations about the structure and functioning of the NHS. However, Wanless did not differentiate between issues of local delivery and the central role of government in setting standards, regulating health and social care services. Nor did he consider processes to determine how information and money should flow. Nevertheless, within the 19 recommendations made (listed in full at the end of the article), the review did set out a conceptual framework for determining how responsibilities could be fixed across the health service:

- Standards set by departments and agencies of government, essentially as a regulator.
- Processes designed by government to ensure that resources can be used effectively to achieve the standards.
- Locally determined and controlled set of arrangements for the provision of care to meet the standards, working within established processes; the review proposed that it would be at the local level where resources would be managed to achieve outcomes.

Workforce expansion was a key Wanless recommendation. The review identified the dependency of successful delivery of the 'steady progress' and 'fully engaged' scenarios on the continuing expansion of the NHS health professional workforce, and a corresponding increase in the skill mix of staff further than historic plans. The review predicted demand for at least two thirds more doctors and up to a third more nurses over the 20 year period. The review's assumptions were that the Department of Health's 2002 ambitious plans for expanding the skilled workforce would be achieved and that estimates of reductions in average length of stay from the National Beds Inquiry were to be delivered. Even then, without any other action, the model projected a continuing shortfall of nurses by 2020 and a larger shortage, around 25,000, of doctors, especially GPs.

Productivity improvements in addition to appropriate clinical staffing levels was also a key focus. This included significant investment in effective ICT, a reduction in waiting times, and a need for the full adoption of the National Institute for Health and Care Excellence (NICE) guidelines. Tellingly, the review commented that the achievement of an effective health service requires decisions to be taken in a holistic way that recognises the inter-relationship

for 2017/18 (in 2002/03 prices), and average annual real growth 2012/13 to 2017/18 are also included. Source: *HM Treasury Public Expenditure Statistical Analyses 2018*. Table 4.2. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/726871/PESA_2018_Accessible.pdf Deflated using GDP deflator (HM Treasury, September 2018).

between many of the resources in the system. For example, better integration of health and social care for older people would reduce ‘bed blocking’ to low levels and free up expensive hospital beds for more patients. The review did identify the importance of cost savings and value for money but on the basis of initial investment rather than the current status of diminishing budgets as considered by the 2016 review by Lord Carter.⁴

Wanless included projections of personal social services (PSS) expenditure in England that covered spending on the elderly and on adults with mental health problems and physical and learning disabilities, although they were not included in the terms of reference for the review. These calculations took account of the then current spend adjusted for population changes, and the predicted changes in the level of ill health. They showed spending rising from £6.4bn in 2002/03 to between £10bn and £11bn in 2022/23 (in 2002/03 prices). The average annual real growth rate rose over successive periods, from between 2% and 2.5% in a year in the first five years to between 2.7% and 3.4% a year in the final five years. Such predictions confirmed the review’s belief that demographic change and, in particular, the ageing of the population would be a more important cost pressure for social care than for health care.

In reality, the public spending on social care by English local authorities fell by 1% between 2009/10 and 2015/16. Within this, spending on adult social care fell by 6.4% at a time when the population aged 65 and greater grew by 15.6%.⁵

Wanless considered that the system of funding for the NHS through taxation was “relatively efficient and equitable”. The report confirmed that the way in which resources were raised to fund health and social care would continue to be an issue for debate, particularly in the light of the UK’s ongoing overall economic performance. The review concluded that the most important issue, as far as funding is concerned, is long-term sustainability of the source of funding and the confidence with which those responsible for delivery can plan ahead. It is sad that both the initial impetus behind the report and Derek Wanless’s reputation as a consequence of his non-executive directorship of Northern Rock were both irreversibly damaged by the stock market collapse in 2008.

Summary

Box 2: The Wanless review: 17 years on

- 1 The Wanless review set out to “determine the resources needed for a high-quality service” with accompanying recommendations to help deliver on a sustainable service by 2022.
- 2 It was commissioned by the Treasury and not the Department of Health to consider future NHS funding requirements.
- 3 It considered longer term funding requirements (two decades) for three scenarios, each of which anticipated growth in spending.
- 4 The review recommended front-loading the additional funding but with continuing investment and growth over the 20 years.
- 5 The recommendations took account of predicted changes in population demographics with increasing numbers of people aged 65 years or older.
- 6 It emphasises the importance of continuing investment in health promotion and public health to reduce for the longer term the dependency on health services and greater consideration of the role of primary care.
- 7 The review identifies a corresponding requirement for investment in social care to achieve a holistic approach that recognises the inter-relationships between many of the financial and human resources in the system.
- 8 The emphasis on increasing productivity is made on the basis of initial investment rather than singularly on cost improvement.
- 9 The review anticipated that increased productivity would require continuing significant investment in ICT and clinical staff.
- 10 The King’s Fund sponsored a review and audit of actions to address the review’s recommendations in 2006⁶ and confirmed progress.
- 11 Subsequently the 2008 financial crisis and change of government has meant that the review’s ambitions have not been realised.
- 12 In reality, there has been a stalling of NHS funding growth since 2010 with a reduction in real terms. Many of today’s challenges to health and social services were anticipated by Wanless and colleagues.
- 13 It will be wise for NHS England to consider the detailed spending analysis of the original review prior to the final commitment of spend for the NHS Long Term Plan.

4 Carter, P. (2016) *Operational productivity and performance in English NHS Acute Hospitals*. An independent report for the Department of Health by Lord Carter of Coles. Available at: <https://www.gov.uk/government/publications/productivity-in-nhs-hospitals>

5 Luchinskaya, D. et al. (2017) *UK health and social care spending*. Institute for Fiscal Studies. Available at: <https://www.ifs.org.uk/publications/8879>

6 Wanless D et al. (2007) *Our Future health service secured? A review of NHS funding and performance*. Kings Fund. Available at: <https://www.kingsfund.org.uk/publications/our-future-health-secured>

Full list of Wanless recommendations

(Section of report denoted in brackets)

- The review welcomes the government's intention to extend the NSF approach to other disease areas and recommends that NSFs, and their equivalents in the Devolved Administrations, are rolled out in a similar way to the diseases already covered (section 2.33).
- The review recommends that the NHS workforce planning bodies should examine the implications of this review's findings for their projections over the next 20 years (3.82).
- While the review considered it vital to extend its Terms of Reference to begin to consider social care, it has had neither the information nor the resources to be able to develop a 'whole systems' model, nor indeed to build up projections for social care in the same level of detail as for health care. It is recommended that future reviews of this type should fully integrate modelling and analysis of health and social care. Indeed, it is for consideration whether a more immediate study is needed of the trends affecting social care (5.60).
- The review recommends that the National Institute for Clinical Excellence (NICE), in conjunction with similar bodies in the Devolved Administrations, also has a major role to play in examining older technologies and practices which may no longer be appropriate or cost effective (6.11).
- It will also be important to ensure that recommendations from NICE – particularly its clinical guidelines – are properly integrated with the development of NSFs (6.13).
- The review welcomes the proposed extension of the NSFs to other areas of the NHS. It recommends that NSFs should in future include estimates of the resources – in terms of the staff, equipment and other technologies and subsequent cash needs – necessary for their delivery (6.14).
- The review's projections incorporate a doubling of spending on ICT to fund ambitious targets of the kind set out in the NHS Information Strategy. To avoid duplication of effort and resources and to ensure that the benefits of ICT integration across health and social services are achieved, the review recommends that stringent standards should be set from the centre to ensure that systems across the UK are fully compatible with each other (6.21).
- To ensure that resources intended for ICT spending are not diverted to other uses and are used productively, the review recommends that budgets should be ringfenced and achievements audited (6.21).
- In thinking about the level of detail to which objective setting should be taken, the review was interested in work currently being undertaken by RAND Health to develop a new approach to assessing the quality of care given to children and adults in the US. The review recommends that the results of this and any similar research about comprehensive measurement of performance should be examined (6.29).
- The review believes that the scope for greater future cooperation between the NHS and the private sector in the delivery of services should be explored, building on the concordat set out in the NHS Plan (6.36).
- The review recommends that there should be a mechanism in place to ensure regular and rigorous independent audit of all health care spending and arrangements to ensure it is given maximum publicity (6.37).
- The review recommends that the government should examine the merits of employing financial incentives such as those used in Sweden to help reduce the problems of bed blocking (6.45).
- The review believes that the present structure of exemptions for prescription charges is not logical, nor rooted in the principles of the NHS. If related issues are being considered in future, it is recommended that the opportunity should be taken to think through the rationale for the exemption policy (6.75).
- The review believes that there is an argument for extending out-of-pocket payments for non-clinical services and recommends that they should be kept under review (6.76); 122.
- The review recommends that a more effective partnership between health professionals and the public should be facilitated, for example, by
 - the setting of standards for the service to help give people a clearer understanding of what the health service will, and will not, provide for them.
 - development of improved health information to help people engage with their care in an informed way.
 - in parallel with improved information, the use of proactive policies driven by evidence of cost-effectiveness, to encourage reductions in key health risk factors.
 - reinforcing patient involvement in NHS accountability arrangements, through measures such as Patients' Forums, the English National Commission on Patient and Public Involvement and better patient representation on Trust Boards, including the new Primary Care Trusts; and
 - finding effective ways to provide the public with a better understanding of how their local health services are performing (6.82).
- The review recommends that the Boards of Strategic Health Authorities should include local patient and business representatives (6.83).
- The review recommends that, as part of improved public engagement, the Department of Health (with strategic health authority involvement) and the Devolved Administrations consider how a greater public appreciation of the cost of common treatments and appointments could best be achieved (6.86).
- The review believes that, as an early step down this road towards better engagement of patients in thinking about the health service, there may be an argument for charging for missed appointments (6.89).
- The review's final recommendation is that a further review should be conducted in, say, five years' time to re-assess the future resource requirements for both health and social care. It should be able to draw upon an international knowledge base.

Professor Peter Kopelman is Vice-Chancellor of the University of London. He was Principal at St George's, University of London 2008–15. Prior to this, he was Vice-Principal, Queen Mary, University of London and Deputy Warden of Barts & The London School of Medicine and Dentistry (2001–6), and Dean of the Faculty of Health, University of East Anglia (2006–8).

Professor Kopelman is active in health policy, education and research. He has been chair or deputy chair of several national university committees. He is a member of NHS national policy and workforce committees, and has chaired the Clinical Examining Board of the Royal Colleges of Physicians (UK) and the NHIR Academic Careers Panel. He is presently chair of the Royal Pharmaceutical Society Faculty & Education Board and Health Education England's Oversight Board for Medical Associate Practitioners.

Professor Kopelman has a long-standing interest in diabetes care, nutrition and obesity with a major research interest in obesity. He was a member of the UK Department of Health and Food Standards Agency Scientific Advisory Committee on Nutrition (2001–10), DH Expert Panel on Obesity (2008–10) and was Science Advisor to the Office of Science and Innovations Foresight Obesity Project (2005–9).