

Rt Hon Andy Burnham MP

Shadow Secretary of State for Health

House of Commons, London, SW1A 0AA t 020 7219 8250 e andy.burnham.mp@parliament.uk

Andrew Dilnot CBE
UK Statistics Authority
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Dear Andrew

I am sure you will agree it is absolutely vital for public debate to be informed by accurate and credible use of data.

I feel I have to write to you today because I have become increasingly concerned about potentially misleading claims on NHS spending by Government Ministers.

The Coalition Agreement stated: *"We will guarantee that health spending increases in real terms, in each year of the Parliament, while recognising the impact this decision will have on other departments."*¹

However, Public Expenditure Statistical Analyses figures for 2010/11 and 2011/12 revealed that NHS spending had in fact fallen in real terms in both of these years.

	£ billion	£ billion at 2011/12 prices	Annual % increase in real-terms ²
2009/10	99.8	105.1	+ 6.4%
2010/11	102.0	104.4	-0.6%
2011/12	104.3	104.3	-0.1%

Source: HMT *Public Expenditure Statistical Analyses 2012*, Table 1.8; HMT Budget March 2012

A Department of Health press release from July 2012 confirms that NHS spending has decreased in real terms: *"PESA figures released today show that in real terms NHS spending has reduced slightly by 0.02%."*³

Further confirmation was detailed in a recent House of Commons library note on NHS expenditure: *"The government spent an estimated £104.3bn on the NHS in England in 2011/12. This represents a fall in real expenditure of -0.1% compared with the outturn for 2011/12."*⁴

¹ http://www.cabinetoffice.gov.uk/sites/default/files/resources/coalition_programme_for_government.pdf

² Real terms increase based on deflators consistent with March 2012 budget

³ <http://mediacentre.dh.gov.uk/2012/07/06/almost-3-5-billion-spending-increase-on-front-line-services/>

⁴ House of Commons Library Standard Note – NHS expenditure, 25 October 2012

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Despite this evidence, the Prime Minister and the Health Secretary have consistently claimed that spending on the NHS is increasing in real-terms.

The Prime Minister:

- *"The fact is, however, that at the last election only one party said that it would increase the NHS in real terms, and that is exactly what we are doing."*⁵
- *"It is certainly not because the money in the NHS is being cut, because it is not being cut. The money in the NHS is being increased."*⁶

The Health Secretary:

- *"Real-terms spending on the NHS has increased across the country."*⁷
- *"In real terms NHS spending is going up... it is incredibly significant that in real terms this government has made a big, big choice to protect the NHS budget."*⁸

Conservative Party website:

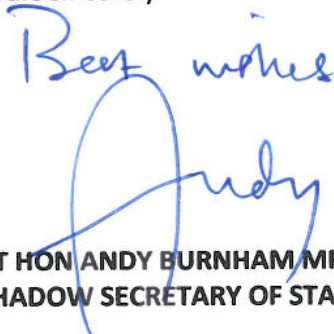
- *"We have increased the NHS budget in real terms in each of the last two years."*⁹

Furthermore, Treasury officials confirmed only yesterday that £1bn of the Department of Health's £1.4bn underspend from 2011/12 will be returned to the Treasury. This comes despite Minister's promises that all savings will be reinvested in the NHS and raises doubts over whether the Government will be able to deliver a real-terms increase in NHS spending in 2012/13.

I would be grateful for your help in bringing clarity to this situation and for your recommendation on how we can best ensure that in the future the debate on NHS spending can be accurate and reflect the facts.

I look forward to hearing from you.

Yours sincerely



RT HON ANDY BURNHAM MP
SHADOW SECRETARY OF STATE FOR HEALTH

⁵ HC Deb, 27 April 2011, c171

⁶ HC Deb, 13 June 2012, c324

⁷ HC Deb, 23 October 2012, c815

⁸ BBC Daily Politics, 09 October 2012

⁹ http://www.conservatives.com/Policy/Where_we_stand/Health.aspx