Wanless Reports: Health spending and public health

Country: United Kingdom
Partner Institute: London School of Economics and Political Science
Survey no: (3)2004
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Health Policy Issues: Public Health, Remuneration / Payment

Current Process Stages

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1. Abstract
The second Wanless report on approaches to public health in England as a means of reducing future demands on the health care system and future spending needs.

2. Purpose of health policy or idea
In 2001 the Chancellor of the Exchequer asked Sir Derek Wanless to undertake a review of the long-term funding needs of the NHS. The report of his review was published in April 2002. It showed that future funding needs would depend, inter alia, upon the extent to which future demand for health care was reduced by the promotion of good public health policies and by disease prevention.

In the light of the importance of public health, Sir Derek was asked to carry out a further review examining policies of prevention and the wider determinants of health in England. The report of this review was published in February 2004.

Main objectives
The Wanless report contains a review of approaches to public health in England. It does not contain anything new but is important for placing public health on the mainstream policy agenda.

Type of incentives
The report identifies incentives for better public health policy including taxes, subsidies and regulation.

Groups affected
Public government, national health service, other agencies
3. Characteristics of this policy

<table>
<thead>
<tr>
<th>Degree of Innovation</th>
<th>traditional</th>
<th>innovative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of Controversy</td>
<td>consensual</td>
<td>highly controversial</td>
</tr>
<tr>
<td>Structural or Systemic Impact</td>
<td>marginal</td>
<td>fundamental</td>
</tr>
<tr>
<td>Public Visibility</td>
<td>very low</td>
<td>very high</td>
</tr>
<tr>
<td>Transferability</td>
<td>strongly system-dependent</td>
<td>system-neutral</td>
</tr>
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Most of the proposals in the Wanless report are uncontroversial and make good sense.

4. Political and economic background

First Wanless review: Spending requirements to 2022

There was no change of government or pressure from external bodies. However, the first Wanless review (on spending requirements to 2022) was commissioned in the context of the Blair government's commitment to improve public services, such as the NHS, by increased investment, especially in the light of unfavourable comparisons with other European countries such as France and Germany. Thus in March 2001 the Chancellor of the Exchequer invited Sir Derek Wanless to undertake a review of the long term trends affecting the health service in the UK. His review team received 130 written communications and held discussions with over 400 people. The review also commissioned an international comparison of health systems. The main purpose of the review was to determine the funding requirements of the NHS in the period until 2022.

Three cost scenarios

The review team estimated the costs of the NHS 'catching up' because of shortfalls in expenditure in the past and then the costs of 'keeping up'. These cost estimates were based on three scenarios - 'solid progress', 'slow uptake' and 'fully engaged'. The 'fully engaged' scenario envisaged high levels of public engagement in relation to their health, through the implementation of effective public health policy. If this was achieved, it was estimated that expenditure on health would be £30 billion per year lower in 2022-23 (2002-03 prices) than under the worst scenario.

Second Wanless review: Prevention and public health

Because of the importance of public health, Sir Derek Wanless was asked to carry out a second, follow-up review focusing on prevention and the wider determinants of health in England and the cost effectiveness of actions that can be taken to improve the health of the whole population and to reduce health inequalities. This results of this review were published in February 2004.

5. Purpose and process analysis

<table>
<thead>
<tr>
<th>Idea</th>
<th>Pilot</th>
<th>Policy Paper</th>
<th>Legislation</th>
<th>Implementation</th>
<th>Evaluation</th>
<th>Change</th>
</tr>
</thead>
</table>

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Origins of health policy idea

The initial Wanless review looked at spending requirements of the NHS over the long-term. Although it has been argued that this review provided the basis for increases in funding announced by the Chancellor, it is more likely that these funding increases had been decided upon already as part of the political need to improve public services in the UK. The Prime minister was a strong influence behind this drive, and the favourable state of the public finances made it possible to allocate large increases in spending to the NHS.

Once Wanless had carried out his study, however, the considerable variations in future spending needs resulting from different levels of effectiveness of public health policy became apparent. This provided a stimulus for the second review to look at public health policy.

Raising public health concerns onto the policy agenda

The report is in some ways a curious document as it says very little that was not known by public health specialists. Some of it is almost like a textbook, such as the sections that deal with economic aspects of public health and the way that taxes and subsidies can be used to deal with external costs and benefits. It also devotes space to discussion of how cost effectiveness studies can be used in relation to public health investments. In more general terms, though, it has the important function of raising public health concerns within mainstream policy discussion when they are often relegated to areas of marginal significance.

Approach of idea

The approach of the idea is described as: renewed:

Stakeholder positions

Public health specialists have long argued that the NHS is a ‘sickness’ service rather than a ‘health’ service and that far higher priority should be placed upon public health strategies. But as Wanless points out in relation to the UK and other countries "What is striking is that there has been so much written [about public health], often covering similar ground and apparently sound, setting out the well known major determinants of health, but rigorous implementation of identified solutions has often been sadly lacking".

Acute sector dominance vs. public health

The reasons for the neglect of public health probably lie in the dominance of health care systems by acute sector providers. This is a general question of health politics and the distribution of power rather than a party political issue. Wanless sets out a series of pragmatic requirements for more effective public health policies in relation to, for example, smoking, obesity and health inequalities - and the fact that it is a Treasury generated study rather than a health department study, places it more at the centre of public policy - but whether it will overcome the longstanding obstacles to prioritisation of this area remains to be seen.

Influences in policy making and legislation

The government has announced a consultation period as a prelude to the production of a Public Health White Paper (i.e. a document with proposals for discussion and debate that subsequently forms the basis of an Act of Parliament.

Sir Derek Wanless believes that the 21 recommendations listed in his report will be addressed by the government as part of this process. The proposals are unlikely to be contentious at the Parliamentary level. Lack of progress on public health usually results from neglect rather than outright opposition.

Legislative outcome
Adoption and implementation

The Wanless report makes numerous recommendations. These cover the roles of, *inter alia*, the Treasury (to adopt a framework to guide government interventions in relation to public health), government generally (adopt quantitative targets in relation to public health) and local organisations (to develop effective partnerships). Considerable emphasis is placed on the need to carry out effective evaluations of public health interventions. Clearly, the Wanless view is that developing an effective public health strategy will require a complex set of inter-organisational working.

Monitoring and evaluation

The Wanless report places great emphasis on the need for better monitoring and evaluation of public health programmes. This sets an agenda for both the Department of health and the research community.

Results of evaluation

The assumption behind the Wanless report is that cost-effective public health interventions will improve population health and reduce demands on the health care system. At the moment, however, the evidence-base for policy in this area is flimsy. Rigorous monitoring and evaluation is necessary to ensure cost-effective use of resources in the future.

6. Expected outcome

<table>
<thead>
<tr>
<th>Quality of Health Care Services</th>
<th>marginal</th>
<th>fundamental</th>
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<tbody>
<tr>
<td>Level of Equity</td>
<td>system less equitable</td>
<td>system more equitable</td>
</tr>
<tr>
<td>Cost Efficiency</td>
<td>very low</td>
<td>very high</td>
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</tbody>
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Too early to comment.

7. References

Sources of Information


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Suggested citation for this online article