

# LSE Centre for Economic Performance: Health – Higher Spending has Improved Quality, But Productivity Must Increase

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A new series of [Election Analyses](#) is now available from the LSE's Centre for Economic Performance (CEP). The series will discuss the research evidence on some of the key policy battlegrounds of the 2010 General Election, including macroeconomic policy, immigration, health, education, crime, poverty and inequality, labour market policy, regional policy, energy and the environment, financial regulation and bankers' bonuses, and foreign aid.

The latest CEP Election Analysis, by [Zack Cooper](#), and [Alistair McGuire](#), and published jointly with LSE Health, gives an overview of the research evidence on UK healthcare, one of the key battlegrounds of the 2010 General Election.

The publication is summarised below and can be found in full on the [CEP Election Analysis Site](#)

- UK healthcare spending has increased by nearly 7 per cent a year in real terms in the last decade – the largest ever sustained increase in the history of the National Health Service.
- Spending on the NHS will slow in the next decade, making it necessary to achieve significant improvements in productivity. Neither of the major political parties has been explicit about their budget proposals for the NHS or provided specific plans to



improve the productivity of the health service.



- Since taking office in 1997, the Labour government has implemented a combination of market-based reforms to the hospital sector and performance management for general practitioners (GPs) and waiting times.
- Clinical performance and patient satisfaction have increased substantially and waiting times have dropped significantly since Labour has been in power.
- The NHS still lags behind other European countries on several quality indicators and in particular on cancer mortality.
- A key battleground in the General Election will be over the centralisation of the health service. The opposition parties want to abolish targets and the Conservatives are also proposing to limit political involvement by creating an independent NHS board.
- There has been a rush of policy proposals in the run-up to the election. Recently, the Labour government has proposed paying for social care for anyone in care for more than two years. Likewise, the Conservatives have proposed guaranteeing all NHS patients access to any cancer medication that has been approved since 2005. Neither party has directly addressed how to pay for their proposals.

