

## Royal Society for Public Health (RSPH) submission to “A country that lives within its means” Spending Review 2015

The Royal Society for Public Health (RSPH) is an independent, multidisciplinary charity dedicated to the improvement of the public’s health and wellbeing. We have a membership of over 9000 public health professionals encompassing a wide range of sectors and roles including health promotion, medicine, healthcare management, environmental health and food safety. Our vision is that everyone has the opportunity to optimise their health and wellbeing, and we seek to achieve this through our qualifications, conference and training programmes and policy and campaign work.

### Background

- Preventing non communicable diseases (NCDs) must be at the heart of the healthcare agenda in the UK and the Government must increase its investment in the area of avoidable NCDs. It is estimated that NCDs account for an estimated 50 million deaths globally in 2013.<sup>1</sup> In the UK, eight of the top ten causes of premature mortality are NCDs accounting for approximately 47% of deaths.<sup>2</sup> These figures mean that prevention should be a high priority to support both the economic, physical and mental wellbeing of the country.
- It is an economic imperative to invest in prevention as it is cost-effective and will reduce short- and long-term demands on both health and social care services and increase economic productivity.<sup>3,4</sup> The Office of Budget Responsibility has estimated that maintaining current levels of healthcare funding will drive the debt-to-GDP ratio to 187% of GDP . This will mean an extra and unaffordable £1.8 trillion by 2065.<sup>5</sup> This predicted cost is unnecessary as we should be reducing demand for health and care services through prevention which is a much better investment in the future especially given the forecasts which show the potentially catastrophic consequences and unsustainability of continuing poor diets, physical inactivity, smoking and harmful drinking.
- We welcome the Government’s support for the NHS Five Year Forward View (FYFV) and committed funding for the NHS. At the heart of the Five Year Forward View (FYFV) is the recognition of a “radical upgrade in prevention and public health”<sup>6</sup> which must be included in *The Spending Review 2015*. Simon Stevens, Chief Executive, NHS England has said that “*the £8bn asked for in the 5 Year Forward View was predicated on a consistent social care offer and action on public health*”. The benefits of prevention are potentially vast, but the spiralling but preventable demands on the NHS from overweight and obesity will jeopardise the Service’s ability to meet the demands of treating the consequences, in particular, many additional cases of diabetes, cancer and cardio vascular disease.
- In 2013/14 the Department of Health spent £106bn on health, social care and public health, although less than 5% (5.48bn) was invested in public health, of which approximately half (£2.66bn) was given to Local Authorities. While NHS spending per head equates to £1742, grants

<sup>1</sup> Lozano, R., Naghavi, M., Foreman, K. et al. 2012. Global and regional mortality from 235 causes of death for 20 age groups in 1990 and 2010: a systematic analysis for the Global Burden of Disease Study 2010. *The Lancet*. 380: 2095–128.

<sup>2</sup> Global Burden of Disease. 2012. *GBD PROFILE: UNITED KINGDOM*. Available at:

[http://www.healthdata.org/sites/default/files/files/country\\_profiles/GBD/ihme\\_gbd\\_country\\_report\\_united\\_kingdom.pdf](http://www.healthdata.org/sites/default/files/files/country_profiles/GBD/ihme_gbd_country_report_united_kingdom.pdf)

<sup>3</sup> Department of Health. 2014. *Annual Report of the Chief Medical Officer*. London: Crown Copyright.

<sup>4</sup> Organisation for Economic Co-operation and Development. 2012. *The Economics of Prevention: Obesity Update 2012*. OECD.

<sup>5</sup> Office of Budget Responsibility. 2015. *Fiscal sustainability report – June 2015*. London: Crown Copyright.

<sup>6</sup> NHS. 2014. *Five Year Forward View*. National Health Service, October 2014.

to Local Authorities for public health numbered £51 per head.<sup>7</sup> . RSPH believes that there is a current mismatch between spending allocated to public health relative to the NHS budget and we believe that this funding should be rebalanced in favour of prevention which will ultimately save money in the longer term.

Based on the proposals in “*A country that lives within its means*” RSPH makes the following suggestions aimed at raising revenue or leading to efficiency savings.

1. Revenue raising proposals would include:

Following the £200 million reduction to local authority public health budgets, we believe there is an urgent need to identify new sources of revenue. We suggest a package of measures for consideration by the Government which could raise revenue of upwards of £2bn annually and provide additional funds for prevention. These would include:

- Implementing the proposed levy on tobacco manufacturers estimated to raise an additional £500M.<sup>8</sup> Raising additional funds that could support interventions such as services to help people stop smoking.<sup>9</sup> We welcomed the consultation and support for this policy from the Coalition government and encourage the Government to move this cross-party accepted policy forward.
- Re-instating the duty escalator for alcohol, estimated to raise £1.2bn over four years. As the OECD reported, harmful alcohol consumption also places significant costs on society. Alcohol taxation in the UK is relatively high compared to other countries but the costs to society far outstrip the revenues raised.<sup>10,11</sup> Reinstating the duty escalator would not only recoup an estimated £1.2 billion over the next four years, it would help to counter the health risks generated by low alcohol prices.<sup>12</sup>
- Introduction of taxes on sugar-sweetened soft drinks, confectionary and snacks estimated to raise an additional £1bn. The evidence linking sugary food and drink with overweight and obesity as well as dental decay is accumulating and examples of governments introducing taxes on sugar-sweetened soft drinks, confectionary and snacks are growing in number and providing useful indications of the effect of such taxes.<sup>13,14</sup> The Government should consider these types of policies for both reducing the consumption of sugar across the population and raising needed revenue to support prevention and care services. An excise duty of 20p per litre has recently been proposed by Sustain, and the Academy of Medical Royal Colleges has called for “an at least 20% tax”. The UK Health Forum has also recommended that taxes should be applied to sugar sweetened soft drinks. An excise duty of 20p/litre would raise around £1 billion in revenue.

RSPH believes that these measures are supported across UK public health organisations and professional bodies as policy priorities to both raise needed funds and achieve the NHS FYFV.

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<sup>7</sup> King's Fund/Local Government Association 2014 – Making the case for public health interventions

<sup>8</sup> Action on Smoking and Health/Landman Economics, February 2015

<sup>9</sup> Action on Smoking and Health. 2015. *Smoking Still Kills: Protecting Children, Reducing Inequalities*. Available at: [http://www.ash.org.uk/files/documents/ASH\\_962.pdf](http://www.ash.org.uk/files/documents/ASH_962.pdf)

<sup>10</sup> Organisation for Economic Co-operation and development (OECD). 2015.

<sup>11</sup> The Alcohol Health Alliance reports that costs to society from alcohol harm exceed £21 billion, which is more than double the tax receipts from alcohol duties (£10 billion).

<sup>12</sup> Alcohol Health Alliance. 2015. *Budget 2015: The Alcohol Health Alliance's position on taxation*. Available at: <http://ahauk.org/wp-content/uploads/2015/03/AHA-Policy-Position-Alcohol-Duty.pdf>

<sup>13</sup> Landon, J. and Graff, H. 2012. *What is the role of health-related food duties?* National Heart Forum, November 2012.

<sup>14</sup> Landon, J. and Mwatsama, M. 2014. *Options for action to support the reduction of sugar intakes in the UK: A discussion paper*. UK Health Forum and Public Health England, May 2014.

They would also incur little or no cost to the state and are likely to meet less public resistance for deficit reduction than other measures.

2. Increase productivity and make efficiency savings within public sector
  - The Government must invest in prevention. Starting with the NHS, which has already stated prevention as a priority, the Government must guarantee additional resources to meet prevention needs.<sup>15</sup>
  - Increased productivity and efficiency could be made in the public sector (3.13) and this can be achieved in part by the delivery of better preventive measures. Simon Stevens has already signalled the NHS commitment to staff wellbeing and productivity, for example through commitments in the FYFV and by supporting schemes to increase physical activity, improve diets while at work, and reduce stress.<sup>16</sup>
  - Evidence shows that investing in prevention, including the public sector workforce, is cost-effective and will reduce days out of work, and short and long -term demands on the health and social care services.<sup>17</sup> For example, better provision of stop smoking services to the NHS workforce would be one highly cost-effective measure with almost immediate positive economic and health impacts.
3. Investing in primary prevention to increase productivity and reduce reliance on benefits
  - The costs of poor lifestyle health impact on productivity for UK plc. For example, an OECD report on alcohol health harm published earlier this year estimated that productivity losses associated with harmful alcohol use in middle and high income countries are in the region of 1% of GDP.<sup>18</sup> Given the UK's 2014 GDP this would be approximately £18bn.<sup>19</sup>
  - An inexpensive way of increasing capacity to support people to change their behaviour and thus increase productivity and reduce the costs to the NHS and wider economy is greater use of the wider public health workforce. The "wider (public health) workforce" is estimated to number some 15 million people across 57 occupational groups. The wider workforce constitutes anyone who has "the opportunity or ability to positively impact health and wellbeing through their paid or unpaid work."<sup>20</sup>
  - Investing in primary prevention will move the UK to a productive, higher wage, lower welfare, lower tax economy. There is a significant return on investment (ROI) with a range of public health interventions. For example for every £1 spent on teenage pregnancy saves £11 in healthcare costs; for every £1 spent on smoking prevention programmes yields £15 worth of savings to healthcare.<sup>21</sup>
  - Investing in prevention will lead to savings for Government in terms of reduced disability benefits for the older workforce, better returns on training and investment for business by maintaining the experience of the older workforce and enabling older people to live well for longer without recourse to support from social care services. As our population ages, a healthy later middle age is important for productivity, and reducing the benefit budget as outlined in points 1-3.

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<sup>15</sup> NHS. 2014. *Five Year Forward View*. National Health Service, October 2014.

<sup>16</sup> BBC. 2015. "NHS staff offered Zumba to stay healthy". Accessed 2 September 2015: <http://www.bbc.co.uk/news/health-34120675>

<sup>17</sup> Organisation for Economic Co-operation and Development (OECD). 2012.

<sup>18</sup> Organisation of Economic Co-operation and Development (OECD). 2015. *Tackling Harmful Alcohol Use: Economics and Public Health Policy*. Available at: <http://www.oecd.org/health/tackling-harmful-alcohol-use-9789264181069-en.htm>

<sup>19</sup> Office of National Statistics. 2015. Available at: <http://www.ons.gov.uk/ons/rel/naa2/second-estimate-of-gdp/q2-2015/rft-07-data-tables.xls>

<sup>20</sup> Rethinking the wider workforce (RSPH, 2015). Understanding the wider public health workforce (CFWI, RSPH, 2015)

<sup>21</sup> Making the case for public health interventions (King's Fund, Local Government Association)

- The demographic challenges caused by an ageing population mean that the Government must increase support for cost-saving prevention measures as a means of reducing the costs of Disability Adjusted Life Years (DALYs) and encouraging people to live well for longer. Forty per cent of the UK's overall disability-adjusted life years lost are caused by tobacco, high blood pressure, overweight and obesity and low levels of physical activity. Furthermore, estimates are that over 50% of the population will not have a disability-free life expectancy above the current retirement age of 65.<sup>22,23</sup> With long term care costs estimated to increase by 315% between 2000 and 2051 investment in prevention is vital. Further cuts to both preventive measures early in life and disability benefits when needed will place significant financial and infrastructure strain on the health and social care system.

Thank you for the opportunity to respond to this consultation. For more information please contact Duncan Stephenson, Director of External Affairs on [dstephenson@rsph.org.uk](mailto:dstephenson@rsph.org.uk)

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<sup>22</sup> Office for National Statistics. 2009. *Health expectancy at birth*. London: Crown Copyright. Available at: <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=12964>

<sup>23</sup> The Marmot Review. 2010. *Fair Society, Healthy Lives*. Available at: <http://www.instituteofhealthequity.org/projects/fair-society-healthy-lives-the-marmot-review>