

Opposition policy costing – 2m more NHS appointments – Labour

Description of policy
Labour will deliver ‘two million more appointments each year’. Wes Streeting: <i>‘We’ll provide an extra £1.1bn to help the NHS beat the backlog, with extra clinics at evenings and weekends – providing two million more appointments each year’</i> (Wes Streeting, Labour Party Conference Speech 2023, 11 October 2023, link).
Additional policy assumptions
<ul style="list-style-type: none">- That these are in secondary care- That these appointments all require enhanced waiting list initiative (WLI) pay rates, in line with current standard pay rates.- That these operate on the same staffing/workforce mix as WLI’s currently operate- That these ‘appointments’ span each aspect of a routine care pathway, with a breakdown of the quantum of each type of appointment that can be funded within the spending envelope
Additional technical modelling assumptions or judgements required
<p>The core scenario modelling assumes that all additional activity is carried out on evenings and weekends.</p> <p>An alternative scenario would be to assume that none of the additional activity is carried out on evenings and weekends. Since – as detailed below - evening and weekend appointments are comparatively more expensive to deliver, this would materially reduce the costs.</p> <p>We have not made a judgement on:</p> <ul style="list-style-type: none">• the impact of increased ‘working week’ productivity on the calculations as these would form part of a wider assessment on the financial allocation and affordability of the total secondary care funding envelope.• the realistic scope to increase weekend/evening working across the NHS without further material capital or revenue investment in e.g. workforce, beds/capacity and tech.• future savings resulting in relative reduction in the size of waiting list, reduced waiting times or wider economic or labour market benefits.• impact of other behavioural changes not explicitly stated above. <p>The territorial extent of this policy is England only so Barnett consequential are presented in the costing tables.</p> <p><u>Delivery through full mix of activity across elective pathway</u></p> <p>For the technical modelling we have assumed:</p> <ul style="list-style-type: none">• Evening and weekend appointments are on average 20% more expensive compared to Value Weighted Activity unit costs used. The basis for this is that, although exact remuneration differs

across staff groups (and time of day and week) they are approximately 35% higher on average. Staff account for 60% of total costs incurred in treating patients (the remainder is drugs, devices, utilities etc). The 20% is derived from applying the 60% to 35% - which has then been rounded.

- All additional appointments take place on evening and weekends. Applying the 20% inherent in this assumption adds £127m (in 23/24 prices) per year or £139m by 2028/29.
- The case mix for weekend and evening work is based on the average case mix of elective activity from January-March 2023. Consequently, table 0 below shows differential growth rates across activity types (higher for those which occur more on a weekend).
- Activity relates to all core elective activity across the pathways. The activity types included are set out in Table 0 and exclude some smaller elements such as lower volume/costs diagnostics and unbundled chemo/radiotherapy.
- Unit prices come from internal management reporting on value-weighted activity in 2023/24 H1. These are not publicly available.
- For the total cost of doubling MRI and CT scanner appointments, the number of examinations for 24/25 are the same as in the last 12 months to October 2023.
- Base costs are in 2023/24 prices. Final prices calculated by applying published GDP deflators from November 2023.

Table 0: Breakdown and assumptions for the 2 million additional appointments (2023/24 prices):

Activity Type	Estimated Full Year Activity (m)	Additional for 2m extra based on weekend casemix (m)	Growth (Year 1)	Value-weighted unit price (2023/24 H1)	Total Cost (£m)	With 20% on cost (£m)
Daycase	5.9	0.24	4.0%	£ 895	211.3	253.6
Elective admissions	1.0	0.03	3.5%	£ 4,816	166.3	199.5
Outpatients - First without procedure	21.6	0.64	3.0%	£ 203	131.0	157.2
Outpatients - Follow-up without procedure	45.0	0.67	1.5%	£ 102	68.5	82.2
Outpatients - First with procedure	3.5	0.11	3.0%	£ 188	19.9	23.9
Outpatients - Follow-up with procedure	7.5	0.11	1.5%	£ 156	17.4	20.9
MRI scans (<i>elective only</i>)	3.4	0.09	2.7%	£ 140	13.1	15.7
CT scans (<i>elective only</i>)	3.8	0.10	2.7%	£ 89	9.3	11.2
	91.8	2.00	2.2%		636.7	764.0

Cost/Revenue to the Exchequer over five years

Assuming all additional activity delivered at evening and weekends

£m	DEL costs				
	2024-25	2025-26	2026-27	2027-28	2028-29
Resource	777	790	803	817	833
Capital					
Total England	777	790	803	817	833
Total Barnett	146	148	151	153	156
Total Cost	923	938	954	970	989

Comparison with current system (if applicable):

NHS trusts have used evening and weekend working to try to boost elective activity since the Covid pandemic. There is variation in the levels of evening/weekend activity delivered by trusts, and the type of activity delivered in evening/weekends also depends on the workforce available and wider hospital pressures.

To note that this costing may appear inconsistent with the original high-level commitment from “Build Back Better” (which preceded the Elective Recovery Plan) that £9bn of funding (£1bn in the second half of 2021/22, plus £8bn for 2022/23 to 24/25) would deliver “9m more checks, scans and procedures”. However, that announcement was made as a minimum level of ambition whilst wider funding negotiations were taking place in Spending Review 21. It was subsequently replaced by the more ambitious Elective Recovery Plan, which committed to “around 130% more activity” by the end of 2024/25.

Other comments (including other Departments consulted):

This note sets out the costs of the delivery of the policy, it does not include estimates of any benefits or potential cost savings that may flow from it.

This costing was produced by DHSC.

To be completed by Permanent Secretary's Office

Date costing signed off:

02/02/2024

[If applicable]

Date revised costing signed off: