

NHS productivity challenge would be 'undoable', says expert

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Asking the NHS to find nearly £50 billion in efficiency savings would be "frankly undoable" says John Appleby, Chief Economist at the King's Fund, in an article published on *BMJ* website today.

The NHS is under pressure to achieve £20bn of efficiency savings by 2015, but senior government figures have warned that total savings of £50bn may need to be found by 2019-20. Appleby warns that the NHS could be "setting itself up for failure" by stretching this already "barely achievable" productivity challenge another four years.

"If we assume no real funding growth (inputs) and the need to improve outputs (the activity of the NHS adjusted for the quality of those outputs) by around 5% a year by 2018 this is equivalent to an improvement in productivity of around £49bn at 2010 prices," he explains.

But he shows that, while the NHS has produced more with more inputs, it has rarely made a positive productivity increase in a year in excess of 1% - let alone 5% each year for eight years.

There is something to be said for having a "stretching" target, but giving the NHS a challenge on this scale would risk setting it up to fail he says.

He acknowledges that "there should be no let up in finding new and better ways of using finite budgets to do good things for people who use the NHS" but says "maybe it's time for some realism." He concludes:

"Even if the NHS achieves half the challenge over the next eight years it will have produced something quite unprecedented. Perhaps that's the best that can be hoped for."

Provided by British Medical Journal

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