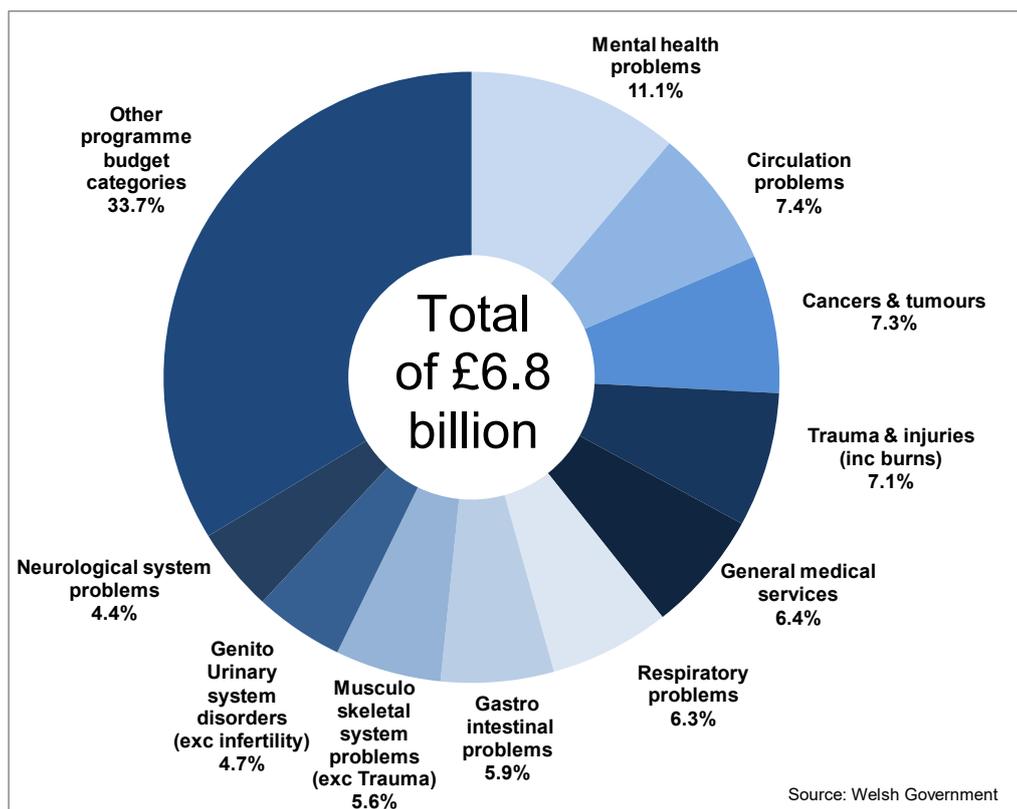


## NHS Expenditure Programme Budgets, 2018-19

28 April 2020  
SFR 33/2020

This annual release presents NHS expenditure by programme of care allocated based on the medical condition (ICD10) the expenditure relates to.

**Chart 1: Percentage of NHS expenditure by programme budget category, 2018-19**



### Main points

- Total expenditure for all programme budget categories was £6.8 billion or £2,167 per head of the population.
- Total expenditure in 2018-19 was 4.1 per cent higher than expenditure in 2017-18 and 30.1 per cent higher from a decade ago.
- The largest single programme budget category (excluding 'other') was spending on mental health problems, which amounted to 11.1 per cent of the total.
- Spending per head of the population on clinical programmes, ranged from £11.73 on hearing problems to £240.82 on mental health problems.

### About this release

This annual Statistical Release covers all Local Health Board (LHB) expenditure and the expenditure of the Public Health Wales NHS Trust (PHW) analysed by programme of care, including expenditure on primary care services, such as GPs and dentists, as well as secondary care services, such as hospitals.

Key results for LHBs are presented in Table 1, and for Wales in Tables 2-6 and Charts 1-3. Further breakdowns by LHB are available on [StatsWales](https://stats.wales.gov.uk/).

These results relate to the financial year 2018-19 and are reported for the 7 Local Health Boards that came into existence on 1 October 2009 and PHW.

### In this release

<a href="#">Local health board</a>	2
<a href="#">Expenditure by sector</a>	3
<a href="#">Expenditure by year</a>	6

## Introduction

Programme Budgeting is an appraisal of resource allocation. It collects financial information that allocates all NHS expenditure, including primary care services, to programmes of care based on medical condition. Financial figures are collected from all Welsh NHS Trusts and local health boards (LHBs) in Wales together with the Welsh Health Specialised Services Committee (WHSSC).

This release is the second based on data collected from NHS organisations in partnership with a new all Wales costing system software supplier.

As the release relates to 2018-19, it does not provide information for the changes to two of the local health boards following the move of the Bridgend local authority on 1 April 2019. This will be captured in next year's release as that will relate to 2019-20.

Further information can be found in the [Key quality information](#) section.

## Local health board

Total expenditure for all programme budget categories for 2018-19 was £6,803 million or £2,167 per head of the population. At local health board level, NHS expenditure ranged from £304 million in Powys Teaching LHB to £1,544 million in Betsi Cadwaladr University LHB. NHS expenditure per head ranged from £1,958 in Cardiff and Vale University LHB to £2,314 in Cwm Taf University LHB in 2018-19.

**Table 1: NHS expenditure and NHS expenditure per head by local health board, 2018-19**

<b>Local Health Board</b>	<b>NHS expenditure (£ million)</b>	<b>NHS expenditure (£ per head)</b>
Betsi Cadwaladr University LHB	1,544.5	2,212
Hywel Dda University LHB	877.4	2,275
Abertawe Bro Morgannwg University LHB	1,157.5	2,167
Cardiff and Vale University LHB	971.9	1,958
Cwm Taf University LHB	694.9	2,314
Aneurin Bevan University LHB	1,253.0	2,119
Powys Teaching LHB	303.7	2,293
<b>Wales</b>	<b>6,802.8</b>	<b>2,167</b>

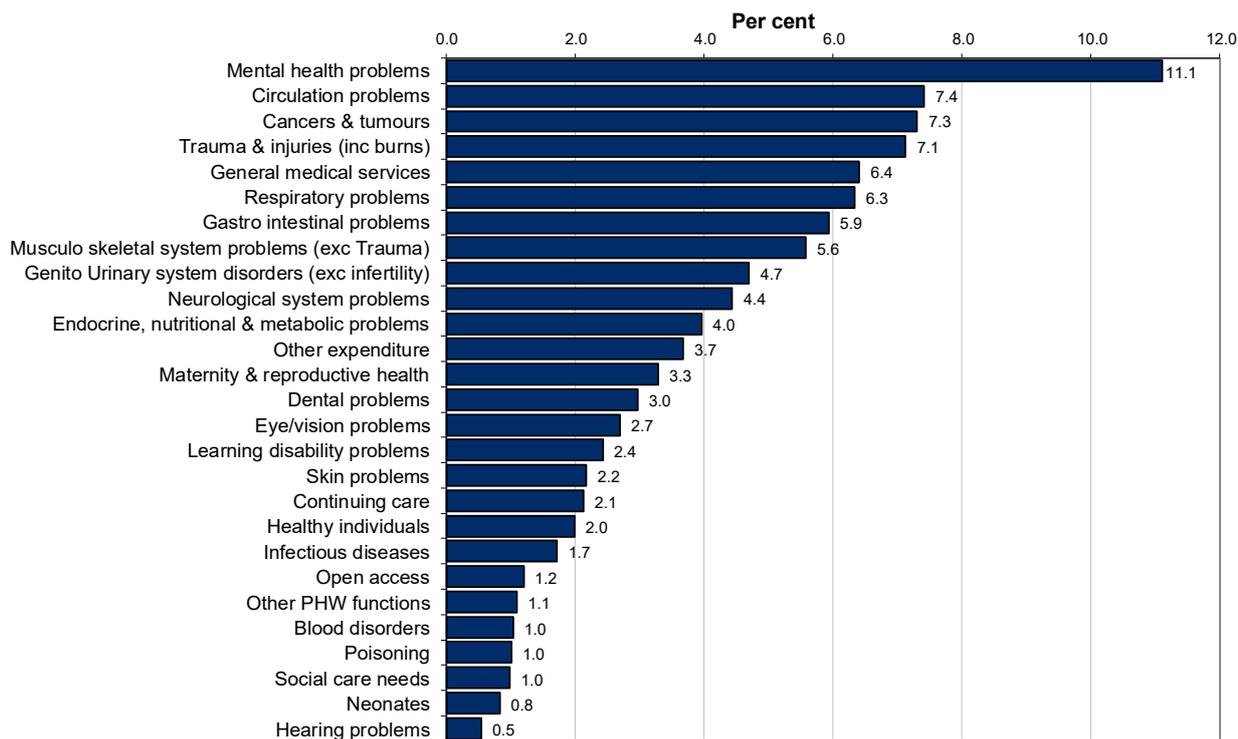
Source: Welsh Government

## Expenditure by programme budget category and sector

Chart 2 shows the breakdown of the total NHS expenditure in Wales for 2018-19, by programme budget category. Mental health problems category (excluding 'other' programme expenditure) forms the largest proportion, accounting for 11.1 per cent of all NHS expenditure.

In addition to the expenditure that can be categorised by medical diagnosis, there are two specific groups for Healthy Individuals and Social Care Needs. These capture the costs of prevention programmes and services that support individuals with social rather than health care needs. Together they amounted to 3.0 per cent of total expenditure in 2018-19.

**Chart 2: Percentage NHS expenditure by programme budget category, 2018-19**



Source: Welsh Government

[Table 2](#) and [Table 3](#) analyse NHS expenditure by programme budget category and sector. Local health boards fund services provided by primary care practitioners such as GPs and dentists, who are generally the first point of contact with the NHS for the patient, and secondary care services such as hospital treatment. These are usually provided following a referral of the patient by their primary care provider.

**Table 2: NHS expenditure by programme budget category and sector, 2018-19**

£ million

Programme budget category	LHB primary	LHB secondary	LHB and PHW total (a)
<b>Infectious diseases</b>	<b>29.4</b>	<b>87.4</b>	<b>116.9</b>
<b>Cancers &amp; tumours</b>	<b>27.7</b>	<b>467.4</b>	<b>496.9</b>
<b>Blood disorders</b>	<b>6.8</b>	<b>63.5</b>	<b>70.3</b>
<b>Endocrine, nutritional &amp; metabolic problems</b>	<b>172.0</b>	<b>97.3</b>	<b>269.3</b>
Diabetes	99.4	26.9	126.3
Other endocrine, nutritional and metabolic problems	72.7	70.3	143.0
<b>Mental health problems</b>	<b>58.3</b>	<b>695.8</b>	<b>755.8</b>
General mental illness	13.1	331.3	345.5
Elderly mental illness	6.4	222.3	228.9
Child & adolescent mental health services	3.9	53.1	57.0
Other mental health problems	34.9	89.2	124.4
<b>Learning disability problems</b>	<b>2.8</b>	<b>162.2</b>	<b>165.0</b>
<b>Neurological system problems</b>	<b>50.9</b>	<b>250.7</b>	<b>301.7</b>
<b>Eye/vision problems</b>	<b>61.3</b>	<b>121.8</b>	<b>183.1</b>
<b>Hearing problems</b>	<b>0.8</b>	<b>36.0</b>	<b>36.8</b>
<b>Circulation problems</b>	<b>107.7</b>	<b>396.3</b>	<b>504.1</b>
<b>Respiratory problems</b>	<b>115.9</b>	<b>314.8</b>	<b>430.7</b>
<b>Dental problems</b>	<b>153.1</b>	<b>48.6</b>	<b>201.7</b>
<b>Gastro intestinal problems</b>	<b>72.1</b>	<b>331.2</b>	<b>403.2</b>
<b>Skin problems</b>	<b>36.0</b>	<b>111.8</b>	<b>147.8</b>
<b>Musculo skeletal system problems (exc Trauma)</b>	<b>34.5</b>	<b>344.5</b>	<b>379.0</b>
<b>Trauma &amp; injuries (inc burns)</b>	<b>9.4</b>	<b>475.2</b>	<b>484.5</b>
<b>Genito Urinary system disorders (exc infertility)</b>	<b>41.1</b>	<b>278.3</b>	<b>319.4</b>
Genital tract problems	5.4	64.4	69.8
Renal problems	1.3	107.4	108.7
Sexually transmitted infections	0.0	5.2	5.2
Other problems of the genito urinary system	34.4	101.3	135.7
<b>Maternity &amp; reproductive health</b>	<b>8.7</b>	<b>214.7</b>	<b>223.3</b>
<b>Neonates</b>	<b>0.2</b>	<b>56.2</b>	<b>56.4</b>
<b>Poisoning</b>	<b>0.1</b>	<b>68.5</b>	<b>68.5</b>
<b>Healthy individuals</b>	<b>14.6</b>	<b>87.5</b>	<b>135.0</b>
<b>Social care needs</b>	<b>3.2</b>	<b>62.8</b>	<b>66.9</b>
<b>Other programme expenditure</b>	<b>466.2</b>	<b>445.7</b>	<b>986.3</b>
General medical services	426.4	9.2	435.6
Open access	0.0	81.5	81.6
Continuing care	0.7	144.0	144.8
Other PHW functions (b)	0.0	0.0	74.4
Other expenditure	39.0	211.0	250.0
<b>Total, all PBC</b>	<b>1,472.7</b>	<b>5,218.1</b>	<b>6,802.8</b>

Source: Welsh Government

(a) Includes 'LHB Primary', 'LHB Secondary', 'LHB Other' and Public Health Wales.

(b) Includes health improvement, healthcare improvement, health protection and corporate functions. Expenditure on Other Public Health Wales Trust's functions was included in other spending in years before 2010-11.

In some cases, it was not possible to assign activity by medical condition, preventative activity or social care need. In such instances expenditure was allocated to a category of 'other programme expenditure', which accounted for 14.5 per cent of the total in 2018-19. 44.2 per cent of the other programme expenditure was expenditure on general medical services provided by GPs.

Total LHB expenditure includes a small amount of other expenditure which cannot be classified to primary or secondary care, e.g. payments to other providers, such as charities. Invalid / uncoded data accounted for the majority of other expenditure (£132.6 million); a decrease of 16.9 per cent compared with 2017-18.

**Table 3: NHS expenditure per head of population by programme budget category and sector, 2018-19**

Programme budget category	<i>£ per head</i>		
	LHB primary	LHB secondary	LHB and PHW total (a)
<b>Infectious diseases</b>	<b>9.38</b>	<b>27.86</b>	<b>37.25</b>
<b>Cancers &amp; tumours</b>	<b>8.82</b>	<b>148.91</b>	<b>158.33</b>
<b>Blood disorders</b>	<b>2.16</b>	<b>20.24</b>	<b>22.39</b>
<b>Endocrine, nutritional &amp; metabolic problems</b>	<b>54.81</b>	<b>31.00</b>	<b>85.81</b>
Diabetes	31.66	8.58	40.24
Other endocrine, nutritional and metabolic problems	23.15	22.41	45.56
<b>Mental health problems</b>	<b>18.57</b>	<b>221.70</b>	<b>240.82</b>
General mental illness	4.17	105.54	110.09
Elderly mental illness	2.05	70.83	72.93
Child & adolescent mental health services	1.24	16.91	18.17
Other mental health problems	11.12	28.42	39.63
<b>Learning disability problems</b>	<b>0.88</b>	<b>51.68</b>	<b>52.56</b>
<b>Neurological system problems</b>	<b>16.23</b>	<b>79.88</b>	<b>96.12</b>
<b>Eye/vision problems</b>	<b>19.52</b>	<b>38.80</b>	<b>58.34</b>
<b>Hearing problems</b>	<b>0.26</b>	<b>11.47</b>	<b>11.73</b>
<b>Circulation problems</b>	<b>34.31</b>	<b>126.27</b>	<b>160.62</b>
<b>Respiratory problems</b>	<b>36.93</b>	<b>100.29</b>	<b>137.22</b>
<b>Dental problems</b>	<b>48.77</b>	<b>15.49</b>	<b>64.27</b>
<b>Gastro intestinal problems</b>	<b>22.96</b>	<b>105.52</b>	<b>128.48</b>
<b>Skin problems</b>	<b>11.47</b>	<b>35.63</b>	<b>47.09</b>
<b>Musculo skeletal system problems (exc Trauma)</b>	<b>11.00</b>	<b>109.75</b>	<b>120.75</b>
<b>Trauma &amp; injuries (inc burns)</b>	<b>2.99</b>	<b>151.39</b>	<b>154.38</b>
<b>Genito Urinary system disorders (exc infertility)</b>	<b>13.10</b>	<b>88.67</b>	<b>101.78</b>
Genital tract problems	1.72	20.52	22.24
Renal problems	0.41	34.21	34.62
Sexually transmitted infections	0.00	1.66	1.66
Other problems of the genito urinary system	10.97	32.28	43.25
<b>Maternity &amp; reproductive health</b>	<b>2.77</b>	<b>68.39</b>	<b>71.16</b>
<b>Neonates</b>	<b>0.05</b>	<b>17.91</b>	<b>17.96</b>
<b>Poisoning</b>	<b>0.02</b>	<b>21.81</b>	<b>21.84</b>
<b>Healthy individuals</b>	<b>4.66</b>	<b>27.87</b>	<b>43.01</b>
<b>Social care needs</b>	<b>1.03</b>	<b>20.02</b>	<b>21.31</b>
<b>Other programme expenditure</b>	<b>148.54</b>	<b>142.00</b>	<b>314.25</b>
General medical services	135.86	2.92	138.79
Open access	0.01	25.98	25.99
Continuing care	0.24	45.89	46.12
Other PHW functions (b)	0.00	0.00	23.71
Other expenditure	12.43	67.22	79.65
<b>Total, all PBC</b>	<b>469.23</b>	<b>1,662.55</b>	<b>2,167.45</b>

Source: Welsh Government

(a) Includes 'LHB Primary', 'LHB Secondary', 'LHB Other' and Public Health Wales.

(b) Includes health improvement, healthcare improvement, health protection and corporate functions. Expenditure on Other Public Health Wales Trust's functions was included in other spending in years before 2010-11.

In 2018-19, spending per head of the population on clinical programmes (i.e. excluding 'other programme expenditure'), ranged from £11.73 on hearing problems to £240.82 on mental health problems.

## Expenditure by programme budget category and year

**Table 4: NHS expenditure by programme budget category, 2014-15 to 2018-19**

	<i>£ million</i>				
Programme budget category	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Infectious diseases</b>	<b>76.8</b>	<b>84.8</b>	<b>86.7</b>	<b>131.9</b>	<b>116.9</b>
<b>Cancers &amp; tumours</b>	<b>409.4</b>	<b>437.3</b>	<b>452.8</b>	<b>463.2</b>	<b>496.9</b>
<b>Blood disorders</b>	<b>49.5</b>	<b>55.0</b>	<b>56.7</b>	<b>63.7</b>	<b>70.3</b>
<b>Endocrine, nutritional &amp; metabolic problems</b>	<b>215.7</b>	<b>222.6</b>	<b>239.7</b>	<b>250.2</b>	<b>269.3</b>
Diabetes	98.4	103.3	111.3	116.3	126.3
Other endocrine, nutritional and metabolic problems	117.3	144.8	128.3	133.9	143.0
<b>Mental health problems</b>	<b>663.3</b>	<b>680.0</b>	<b>712.3</b>	<b>746.2</b>	<b>755.8</b>
General mental illness	305.9	310.3	312.1	338.5	345.5
Elderly mental illness	201.7	210.0	228.8	231.7	228.9
Child & adolescent mental health	41.3	46.4	48.9	52.3	57.0
Other mental health problems	114.4	113.3	122.6	123.8	124.4
<b>Learning disability problems</b>	<b>131.6</b>	<b>135.5</b>	<b>144.5</b>	<b>155.8</b>	<b>165.0</b>
<b>Neurological system problems</b>	<b>283.7</b>	<b>315.2</b>	<b>317.8</b>	<b>297.4</b>	<b>301.7</b>
<b>Eye/vision problems</b>	<b>134.9</b>	<b>142.1</b>	<b>161.6</b>	<b>171.6</b>	<b>183.1</b>
<b>Hearing problems</b>	<b>28.3</b>	<b>33.2</b>	<b>34.7</b>	<b>36.2</b>	<b>36.8</b>
<b>Circulation problems</b>	<b>445.6</b>	<b>456.1</b>	<b>468.9</b>	<b>482.3</b>	<b>504.1</b>
<b>Respiratory problems</b>	<b>387.0</b>	<b>406.5</b>	<b>432.1</b>	<b>419.5</b>	<b>430.7</b>
<b>Dental problems</b>	<b>184.1</b>	<b>200.4</b>	<b>199.0</b>	<b>198.9</b>	<b>201.7</b>
<b>Gastro intestinal problems</b>	<b>339.3</b>	<b>365.5</b>	<b>386.9</b>	<b>372.8</b>	<b>403.2</b>
<b>Skin problems</b>	<b>133.0</b>	<b>138.9</b>	<b>144.5</b>	<b>140.3</b>	<b>147.8</b>
<b>Musculo skeletal system problems (exc Trauma)</b>	<b>352.7</b>	<b>357.8</b>	<b>377.5</b>	<b>366.4</b>	<b>379.0</b>
<b>Trauma &amp; injuries (inc burns)</b>	<b>416.9</b>	<b>440.4</b>	<b>450.5</b>	<b>457.0</b>	<b>484.5</b>
<b>Genito Urinary system disorders (exc infertility)</b>	<b>294.0</b>	<b>318.1</b>	<b>322.3</b>	<b>304.5</b>	<b>319.4</b>
Genital tract problems	59.6	66.3	67.0	70.8	69.8
Renal problems	86.4	92.3	102.6	101.9	108.7
Sexually transmitted infections	16.8	17.8	7.1	5.0	5.2
Other problems of the genito urinary system	131.1	141.8	145.7	126.9	135.7
<b>Maternity &amp; reproductive health</b>	<b>192.3</b>	<b>200.8</b>	<b>208.7</b>	<b>215.6</b>	<b>223.3</b>
<b>Neonates</b>	<b>49.0</b>	<b>54.3</b>	<b>56.1</b>	<b>53.2</b>	<b>56.4</b>
<b>Poisoning</b>	<b>65.4</b>	<b>68.8</b>	<b>72.2</b>	<b>68.8</b>	<b>68.5</b>
<b>Healthy individuals</b>	<b>109.2</b>	<b>112.3</b>	<b>132.2</b>	<b>124.2</b>	<b>135.0</b>
<b>Social care needs</b>	<b>50.0</b>	<b>57.9</b>	<b>59.2</b>	<b>61.9</b>	<b>66.9</b>
<b>Other programme expenditure</b>	<b>790.4</b>	<b>834.1</b>	<b>864.3</b>	<b>953.1</b>	<b>986.3</b>
General medical services	361.7	368.5	374.3	405.6	435.6
Open access	80.7	82.9	86.1	80.6	81.6
Continuing care	123.3	126.6	134.0	141.2	144.8
Other PHW functions (a)	73.5	76.7	61.5	68.7	74.4
Other expenditure	151.2	179.4	208.4	257.1	250.0
<b>Total, all PBC</b>	<b>5,802.1</b>	<b>6,117.7</b>	<b>6,381.5</b>	<b>6,534.9</b>	<b>6,802.8</b>

Source: Welsh Government

(a) Includes health improvement, healthcare improvement, health protection and corporate functions. Expenditure on Other Public Health Wales Trust's functions was included in other spending in years before 2010-11.

Total expenditure has continued to increase each year. In 2018-19 it increased by £267.9 million (4.1 per cent) from 2017-18. The programme budget category (excluding 'other') which saw the biggest increase was cancers and tumours which increased by £34 million (7.3 per cent) from 2017-18. The next biggest increase was seen in 'gastro intestinal problems' which increased by £30 million (8.2 per cent).

A substantial change to the coding of sepsis related diagnoses during 2017-18 significantly impacted on the 'infectious diseases' category for that reporting year. The movement was partially reversed by the refinement in coding during 2018-19 and as a result the 'infectious diseases' category decreased by £15 million.

**Table 5: NHS expenditure per head of population by programme budget category, 2014-15 to 2018-19**

Programme budget category	£ per head				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Infectious diseases</b>	<b>24.84</b>	<b>27.36</b>	<b>27.84</b>	<b>42.22</b>	<b>37.25</b>
<b>Cancers &amp; tumours</b>	<b>132.40</b>	<b>141.12</b>	<b>145.46</b>	<b>148.21</b>	<b>158.33</b>
<b>Blood disorders</b>	<b>16.01</b>	<b>17.76</b>	<b>18.22</b>	<b>20.38</b>	<b>22.39</b>
<b>Endocrine, nutritional &amp; metabolic problems</b>	<b>69.77</b>	<b>71.84</b>	<b>76.98</b>	<b>80.07</b>	<b>85.81</b>
Diabetes	31.82	33.33	35.75	37.22	40.24
Other endocrine, nutritional and metabolic problems	37.95	46.73	41.23	42.85	45.56
<b>Mental health problems</b>	<b>214.50</b>	<b>219.42</b>	<b>228.79</b>	<b>238.79</b>	<b>240.82</b>
General mental illness	98.92	100.13	100.24	108.31	110.09
Elderly mental illness	65.22	67.77	73.49	74.14	72.93
Child & adolescent mental health	13.36	14.96	15.69	16.73	18.17
Other mental health problems	36.99	36.55	39.37	39.61	39.63
<b>Learning disability problems</b>	<b>42.55</b>	<b>43.72</b>	<b>46.40</b>	<b>49.84</b>	<b>52.56</b>
<b>Neurological system problems</b>	<b>91.76</b>	<b>101.70</b>	<b>102.10</b>	<b>95.17</b>	<b>96.12</b>
<b>Eye/vision problems</b>	<b>43.63</b>	<b>45.84</b>	<b>51.92</b>	<b>54.92</b>	<b>58.34</b>
<b>Hearing problems</b>	<b>9.14</b>	<b>10.71</b>	<b>11.16</b>	<b>11.57</b>	<b>11.73</b>
<b>Circulation problems</b>	<b>144.11</b>	<b>147.19</b>	<b>150.63</b>	<b>154.34</b>	<b>160.62</b>
<b>Respiratory problems</b>	<b>125.17</b>	<b>131.17</b>	<b>138.81</b>	<b>134.23</b>	<b>137.22</b>
<b>Dental problems</b>	<b>59.54</b>	<b>64.66</b>	<b>63.94</b>	<b>63.65</b>	<b>64.27</b>
<b>Gastro intestinal problems</b>	<b>109.73</b>	<b>117.92</b>	<b>124.27</b>	<b>119.29</b>	<b>128.48</b>
<b>Skin problems</b>	<b>43.01</b>	<b>44.81</b>	<b>46.43</b>	<b>44.89</b>	<b>47.09</b>
<b>Musculo skeletal system problems (exc Trauma)</b>	<b>114.07</b>	<b>115.45</b>	<b>121.26</b>	<b>117.26</b>	<b>120.75</b>
<b>Trauma &amp; injuries (inc burns)</b>	<b>134.84</b>	<b>142.12</b>	<b>144.71</b>	<b>146.24</b>	<b>154.38</b>
<b>Genito Urinary system disorders (exc infertility)</b>	<b>95.07</b>	<b>102.64</b>	<b>103.54</b>	<b>97.45</b>	<b>101.78</b>
Genital tract problems	19.28	21.38	21.51	22.66	22.24
Renal problems	27.95	29.80	32.95	32.60	34.62
Sexually transmitted infections	5.43	5.73	2.28	1.60	1.66
Other problems of the genito urinary system	42.41	45.74	46.79	40.59	43.25
<b>Maternity &amp; reproductive health</b>	<b>62.20</b>	<b>64.80</b>	<b>67.05</b>	<b>68.98</b>	<b>71.16</b>
<b>Neonates</b>	<b>15.84</b>	<b>17.53</b>	<b>18.03</b>	<b>17.01</b>	<b>17.96</b>
<b>Poisoning</b>	<b>21.16</b>	<b>22.21</b>	<b>23.20</b>	<b>22.02</b>	<b>21.84</b>
<b>Healthy individuals</b>	<b>35.31</b>	<b>36.24</b>	<b>42.45</b>	<b>39.74</b>	<b>43.01</b>
<b>Social care needs</b>	<b>16.18</b>	<b>18.68</b>	<b>19.02</b>	<b>19.81</b>	<b>21.31</b>
<b>Other programme expenditure</b>	<b>255.64</b>	<b>269.16</b>	<b>277.62</b>	<b>304.97</b>	<b>314.25</b>
General medical services	116.97	118.90	120.22	129.78	138.79
Open access	26.11	26.76	27.66	25.78	25.99
Continuing care	39.89	40.85	43.05	45.17	46.12
Other PHW functions (a)	23.76	24.76	19.76	21.99	23.71
Other expenditure	48.90	57.89	66.94	82.25	79.65
<b>Total, all PBC</b>	<b>1,876.47</b>	<b>1,974.03</b>	<b>2,049.84</b>	<b>2,091.07</b>	<b>2,167.45</b>

Source: Welsh Government

(a) Includes health improvement, healthcare improvement, health protection and corporate functions. Expenditure on Other Public Health Wales Trust's functions was included in other spending in years before 2010-11.

Total spending per head of the population has increased by £76.38 (3.7 per cent) from £2,091.07 in 2017-18 to £2,167.45 in 2018-19.

**Table 6: Percentage share of NHS expenditure by programme budget category, 2014-15 to 2018-19**

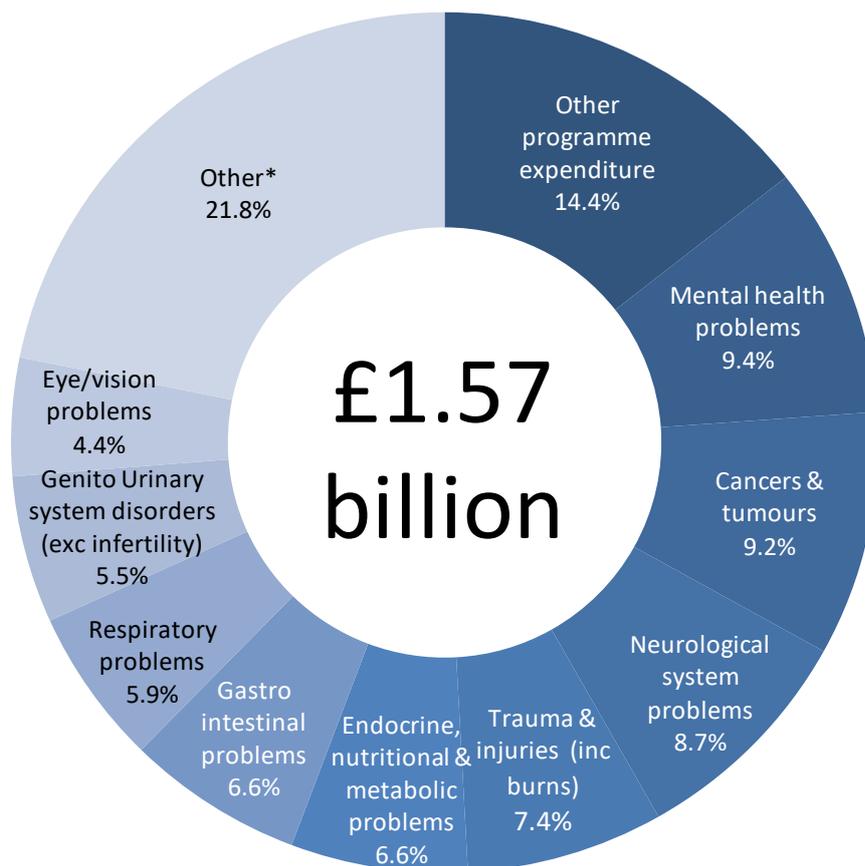
Programme budget category	Percentage				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Infectious diseases</b>	1.3	1.4	1.4	2.0	1.7
<b>Cancers &amp; tumours</b>	7.1	7.1	7.1	7.1	7.3
<b>Blood disorders</b>	0.9	0.9	0.9	1.0	1.0
<b>Endocrine, nutritional &amp; metabolic problems</b>	3.7	3.6	3.8	3.8	4.0
Diabetes	1.7	1.7	1.7	1.8	1.9
Other endocrine, nutritional and metabolic problems	2.0	2.4	2.0	2.0	2.1
<b>Mental health problems</b>	11.4	11.1	11.2	11.4	11.1
General mental illness	5.3	5.1	4.9	5.2	5.1
Elderly mental illness	3.5	3.4	3.6	3.5	3.4
Child & adolescent mental health	0.7	0.8	0.8	0.8	0.8
Other mental health problems	2.0	1.9	1.9	1.9	1.8
<b>Learning disability problems</b>	2.3	2.2	2.3	2.4	2.4
<b>Neurological system problems</b>	4.9	5.2	5.0	4.6	4.4
<b>Eye/vision problems</b>	2.3	2.3	2.5	2.6	2.7
<b>Hearing problems</b>	0.5	0.5	0.5	0.6	0.5
<b>Circulation problems</b>	7.7	7.5	7.3	7.4	7.4
<b>Respiratory problems</b>	6.7	6.6	6.8	6.4	6.3
<b>Dental problems</b>	3.2	3.3	3.1	3.0	3.0
<b>Gastro intestinal problems</b>	5.8	6.0	6.1	5.7	5.9
<b>Skin problems</b>	2.3	2.3	2.3	2.1	2.2
<b>Musculo skeletal system problems (exc Trauma)</b>	6.1	5.8	5.9	5.6	5.6
<b>Trauma &amp; injuries (inc burns)</b>	7.2	7.2	7.1	7.0	7.1
<b>Genito Urinary system disorders (exc infertility)</b>	5.1	5.2	5.1	4.7	4.7
Genital tract problems	1.0	1.1	1.0	1.1	1.0
Renal problems	1.5	1.5	1.6	1.6	1.6
Sexually transmitted infections	0.3	0.3	0.1	0.1	0.1
Other problems of the genito urinary system	2.3	2.3	2.3	1.9	2.0
<b>Maternity &amp; reproductive health</b>	3.3	3.3	3.3	3.3	3.3
<b>Neonates</b>	0.8	0.9	0.9	0.8	0.8
<b>Poisoning</b>	1.1	1.1	1.1	1.1	1.0
<b>Healthy individuals</b>	1.9	1.8	2.1	1.9	2.0
<b>Social care needs</b>	0.9	0.9	0.9	0.9	1.0
<b>Other programme expenditure</b>	13.6	13.6	13.5	14.6	14.5
General medical services	6.2	6.0	5.9	6.2	6.4
Open access	1.4	1.4	1.3	1.2	1.2
Continuing care	2.1	2.1	2.1	2.2	2.1
Other PHW functions (a)	1.3	1.3	1.0	1.1	1.1
Other expenditure	2.6	2.9	3.3	3.9	3.7
<b>Total, all PBC</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Welsh Government

(a) Includes health improvement, healthcare improvement, health protection and corporate functions. Expenditure on Other Public Health Wales Trust's functions was included in other spending in years before 2010-11.

The percentage share of total expenditure for each category has been broadly consistent over the past few years. See [Key quality information](#) section for further discussion on changes in methodology between years.

**Chart 3: Contributions to growth over the last decade, 2009-10 to 2018-19**



Source: Welsh Government

\*Other includes infectious diseases, musculo skeletal system problems (exc trauma), learning disability problems, maternity & reproductive health, skin problems, social care needs, blood disorders, hearing problems, neonates, poisoning, circulation problems, dental problems and healthy individuals.

Over the last decade NHS expenditure has increased by £1.57 billion (30.1 per cent). Chart 3 shows which budget categories have seen the largest increases in expenditure i.e. of the £1.57 billion increase in expenditure, 9.2 per cent was in cancers and tumours. Excluding 'other programme expenditure', the category that had the largest increase was mental health problems, which accounted for £148 million or 9.4 per cent of the total increase.

## Key quality information

This section provides a summary of information on this output against five dimensions of quality: Relevance, Accuracy, Timeliness and punctuality, Accessibility and clarity, and Comparability and coherence.

### Relevance

In 2004, the Welsh Government initiated the national programme budget project. The aim of the project is to develop a source of information to give a greater understanding of 'where the money is going' in the NHS. The project aims to provide evidence to answer this question by mapping expenditure to programmes of care based on medical conditions as an alternative to analysis by the type of care or type of institution where care is provided. The programmes of care, i.e. programme budget categories (PBCs), are defined by reference to the [International Classification of Diseases Version 10 codes \(ICD 10\)](#). Most PBCs reflect ICD 10 chapter headings, e.g. cancer, coronary heart disease, problems of the skin, etc. In this context, each category represents a programme of care focused on the recipient, rather than the provider of care.

### Data sources

Expenditure data are calculated from Local Health Board programme budgeting returns to the Welsh Government. The allocation of expenditure to programme budget categories is carried out using the best available information, e.g. for acute inpatients and day cases, episodes are allocated to program budget category by ICD10 code and the unit cost of each episode is determined by its HRG (Healthcare Resource Group). For other types of expenditure there may be specific data from the Welsh Costing Return 1 (WCR 1, formerly the TFR2 return) to support an allocation, e.g. WCR 1 expenditure on mental illness services for children and adolescents can be assigned directly to the corresponding programme budget category.

Calculating programme budgeting data is complex and not all healthcare activity or services can be classified directly to a programme budgeting category or care setting. When it is not possible to reasonably estimate a programme budgeting category, expenditure is classified as 'Other'. Expenditure on General Medical Services cannot be reasonably estimated at disease specific level, and is separately identified as a subcategory of 'Other' expenditure.

This release is the second based on data collected from NHS organisations in partnership with a new all Wales costing system software supplier. This new software offers the opportunity for Wales to further develop its service costing processes to introduce greater scope, depth and granularity of costed activity to support future objectives of greater consistency within Wales and with England, data analysis and management information.

To calculate the expenditure per head of population, the Office for National Statistics (ONS) revised Mid-Year Population Estimates (MYEs) by local authority were used. The mid-year estimate for 2018 was used as a denominator for 2018-19 expenditure, the estimate for 2017 was used for 2017-18 expenditure, etc.

## Coverage

23 programme budget categories (PBCs) are used for analysis of expenditure. Sub-categories have also been identified for some categories to provide additional analysis. The aim of the PBCs is principally to identify the amount of resource deployed to broad areas of illness on a basis that is mutually exclusive, comprehensive and based on the primary diagnosis for any encounter. The primary classification is, therefore, relative to condition rather than health care activity (whether preventative, curative or supportive) and uses chapter headings of the International Classification of Diseases Version 10 codes (ICD 10). It is recognised that a medical model of care may not always be appropriate in the areas of community services and social care. Accordingly there are two specific groups for 'Healthy Individuals' and 'Social Care Needs'. These capture the costs of prevention programmes and services that support individuals with social rather than health care needs. In some cases, it is not possible to assign activity by medical condition, preventative activity or social care need. In such instances expenditure is allocated to a category of 'other programme expenditure'.

Expenditure data are presented at current prices, i.e. prices relating to the period being measured, and therefore include the effects of inflation in the prices of goods and services. This should be considered when making comparisons between years. An increase in expenditure does not necessarily mean an increase in the quantity of goods and services purchased.

All expenditure on Welsh residents is included in this release, including expenditure on services funded by Welsh Local Health Boards (LHBs) and provided by NHS and private providers of health care, both within and outside Wales. From 2010-11, services planned by the Welsh Health Specialised Services Committee are included in LHB secondary care expenditure and not shown separately. Earlier years figures have been adjusted to the same basis.

The control total for the PB exercise comprises the total expenditure of LHBs in Wales and the Public Health Wales NHS Trust. The total figure reported in the LHB return must agree with the total expenditure figure shown in the LHB accounts (operating cost statement).

## Users and uses

The statistics are used in a variety of ways. Some of the key users of these statistics are:

- Ministers and the Members Research Service in the National Assembly for Wales;
- Health and Social Services Group within the Welsh Government;
- other areas of the Welsh Government;
- NHS Wales;
- the research community;
- students, academics and universities;
- individual citizens and private companies.

The statistics may also be useful for other UK governments:

- the Northern Ireland Department of Health;
- Scottish Government;
- Department of Health and Social Care in England.

The statistics are used in a variety of ways. Some examples of the uses include:

- advice to Ministers;
- to inform debate in the National Assembly for Wales and beyond;
- to make publically available data on NHS expenditure in Wales;
- for trend analysis as well as informing funding arrangements;
- to help determine the service the public may receive from the relevant organisations.

We consult with key users prior to making changes, and where possible publicise changes on the internet, at committees and other networks to consult with users more widely. We aim to respond quickly to policy changes to ensure our statistics remain relevant.

## **Accuracy**

Data is collected by the Financial Delivery Unit who undertakes quality assurance of the data alongside Welsh Government. Any queries were raised with relevant LHBs before publication of the data.

This release is the second based on data collected from NHS organisations in partnership with a new all Wales costing system software supplier. Organisations are confident that new costing models are robust and testing regimes have not identified any significant areas of disparity.

A significant decrease in clinical coding performance in acute hospital services was reported for 2017-18 resulting in an increase in “invalid / uncoded data” of 52.5 per cent compared with 2016-17. The increase was concentrated in two organisations, Aneurin Bevan and Hywel Dda. The impact on other programmes of care is unknown and could potentially be impacting any programme significantly driven by acute hospital based care. Although clinical coding performance in 2018-19 improved from the previous year’s position, uncoded activity remained high and was concentrated in the same two organisations. Both organisations employed additional processes to ensure the impact of uncoded activity was minimised.

A substantial change to the coding of sepsis related diagnoses was introduced in ICD-10 Coding Standards relevant to 2017-18 causing a presumed jump in the number of sepsis cases. This caused a significant shift of expenditure from a number of programme categories into the ‘infectious diseases’ category resulting in an increase of £45 million (52.2 per cent) from 2016-17. The standard was refined further in April 2018. The movement has been partially reversed by the refinement in coding during 2018-19 and as a consequence the ‘infectious diseases’ category reduced by £15 million overall. The impact to other programmes is difficult to assess and identify from natural year-on-year movement.

The allocation of expenditure to programme budgeting categories is not a straightforward task and methods of allocation are improving each year. Users of the data should note that significant changes to the data calculation methodology were introduced in 2012/13. In consequence, the broad patterns shown in the figures should be considered rather than the most detailed year on year changes, which may be due to improved allocation and not real changes in spending priorities. The underlying data which support programme budgeting data are also subject to yearly changes.

Subcategory level data should therefore be used with caution. The category of circulatory disease is not broken down in this release because the subcategory of 'Other circulatory disease' is likely to include a significant amount of expenditure for coronary heart disease and cerebrovascular disease which cannot be analysed directly to those two subcategories.

In the unlikely event of incorrect data being published revisions to data would be made and users informed in conjunction with the Welsh Government's [Revisions, errors and postponements](#) arrangements.

### **Timeliness and punctuality**

All outputs adhere to the Code of Practice by pre-announcing the date of publication through the [Upcoming calendar](#) web pages. Furthermore, should the need arise to postpone an output this would follow the Welsh Government's [Revisions, errors and postponements](#) arrangements.

Releases are published as soon as practical after the relevant time period. This release was published in April 2019, meeting the previously announced date of publication.

### **Accessibility and clarity**

The statistics are published in an accessible, orderly, pre-announced manner on the [Statistics and Research](#) section of the Welsh Government website. This release is accompanied by more detailed tables on [StatsWales](#), a free to use service that allows visitors to view, manipulate, create and download data.

### **Comparability and coherence**

Where there are changes to the data provided, this is shown clearly in the outputs. Where advance warning is known of future changes these will be pre-announced in accordance with Welsh Government arrangements.

The Treasury publishes an analysis of identifiable public spending for countries and regions in the [Public Expenditure Statistical Analyses](#) (PESA). PESA is probably the most appropriate source for comparing health spending by country as it is compiled using a common classification system across the UK. The NHS programme budget figures in this release include the total expenditure of Local Health Boards in Wales and the Public Health Wales NHS Trust. However, these figures do not include capital expenditure and items of expenditure funded centrally by the Welsh Government, such as training and research, which will be included in the PESA figures. The programme budget figures are therefore not directly comparable with the PESA figures.

Programme budgets were published by NHS England for expenditure in 2013-14 commissioned by Clinical Commissioning Groups (CCGs), but excluded expenditure commissioned by NHS England (such as specialised care services and primary care services), expenditure of Public Health

England and expenditure on public health functions financed by local authorities from grants made by Public Health England. Most screening services, such as screening for cancer, were not commissioned by CCGs and therefore were not included in published 2013-14 data for England, whereas in Wales screening expenditure was included in services to healthy individuals.

Comparisons between programme budgets for Wales and England should therefore not be made unless these factors can be taken into account.

## **Well-being of Future Generations Act (WFG)**

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural well-being of Wales. The Act puts in place seven well-being goals for Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators (“national indicators”) that must be applied for the purpose of measuring progress towards the achievement of the Well-being goals, and (b) lay a copy of the national indicators before the National Assembly. The 46 national indicators were laid in March 2016.

Information on the indicators, along with narratives for each of the well-being goals and associated technical information is available in the [Well-being of Wales report](#).

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local well-being assessments and local well-being plans.

## **Further details**

The document is available at: <https://gov.wales/nhs-expenditure-programme-budgets>

## **Next update**

April 2021 (provisional)

## **We want your feedback**

We welcome any feedback on any aspect of these statistics which can be provided by email to [stats.healthinfo@gov.wales](mailto:stats.healthinfo@gov.wales)

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