Scotland In Union is a non-party movement which unites people around a positive view of Scotland in the UK. We are a not-for-profit organisation. We have supporters from all points on the political spectrum, and many diverse views about how to improve life in the Scotland. This briefing note is designed to help make the case for a stronger Scotland in the UK. For more information, please see www.scotlandinunion.co.uk
**NHS Scotland – secure in the UK**

*Healthcare in Scotland is entirely devolved to the Scottish Parliament, which can decide on both overall policy and financing of the NHS. Nationalists have made misleading claims that cuts to the NHS at the UK level could adversely affect Scotland. In fact it is the current nationalist administration that has cut spending in Scotland relative to the rest of the UK. Moreover independence would gravely threat public funding of the NHS. Scotland needs a debate on healthcare based on evidence and outcomes in an international context rather than the NHS being used as a political football by nationalists.*

**Healthcare – a fully devolved public service**

Power over Scotland’s healthcare was devolved from the outset to the Scottish Parliament in 1999. The NHS has always been one of the main responsibilities of Holyrood, with decisions about how the service is organised and financed made by Scottish ministers. It is quite clear that one of the main purposes of devolution was to ensure that decisions about major public services like the NHS were made in Scotland and not decided at the UK level.

**Why claims about threats to the NHS from the UK are wrong**

Despite this, at the time of the referendum on Scottish independence in 2014, nationalists repeatedly claimed that the NHS was threatened by the UK government. The opposite is the case.

Nationalist claims were based on a hypothetical situation in which a UK government might introduce private charging to healthcare in England to the extent that public funding was correspondingly replaced and cut. Public spending would thus be correspondingly lower, and so the block grant paid by the UK Treasury to the Scottish Government would be cut also, since it is calculated as a formula based on total UK public spending. Under this scenario, then, nationalists claim that cuts to the NHS in England could be imposed on Scotland.

This argument is deeply misleading. In practice, no such cuts stemming from private charging has taken place in England. In fact, public spending on the NHS in England has risen faster than in Scotland as is explained below.

Perhaps more importantly, however, the principle underpinning the nationalist argument is entirely specious because it looks at spending in isolation. If a future UK government *did* reduce spending on the NHS in England, there might be a corresponding reduction in the block grant. But taxes and borrowing would also be correspondingly lower in England, so the Scottish Parliament could raise taxes or borrowing back up to the original level to restore NHS funding to its original level too.

The Scottish Parliament controls enough fiscal powers to compensate for any plausible adjustment in English healthcare spending, so the idea that such an adjustment could be imposed on Scotland is entirely wrong.

In fact, the proof of this in the pudding. Ironically the nationalist administration has compensated for changes in spending on English healthcare – by refusing to pass on increases in such spending and instead keeping NHS Scotland’s budget down!

**Recent spending trends – the nationalist record on health expenditure**

Health spending has been prioritised by successive UK governments. The recent Coalition and current Conservative governments have been no different. Health spending has been ‘ring fenced’ and increased in real terms over the years.
These increases have been transferred automatically to the Scottish Government in the form of a correspondingly higher ‘block grant’ as set out by the Barnett Formula. So the UK increases in health spending have translated fully into more funds for the Scottish Government¹.

However, in recent years the nationalist-run Scottish Government has not spent all of this additional money on the NHS in Scotland. As a result, per capita spending on healthcare has fallen in Scotland relative to England and the other UK countries as the following graph shows.

The dangers of independence to NHS Scotland

As is now well attested, an independent Scotland would be much worse off financially than Scotland is as part of the UK². As a result the Scottish Government would face the approximate equivalent of a 15% budget cut. It would have to finance this by additional taxation, spending cuts or higher public borrowing.

Healthcare accounts for 17% of public spending in Scotland³. It is very difficult to envisage the Scottish Government maintaining current levels of spending on the NHS in these circumstances. The only options would be drastic cuts to other key services like education, major rises in taxation, or else an increase in borrowing that was not sustainable in the long term and would itself lead to higher financing costs and mortgage rates.

In all likelihood, therefore, an independent Scotland would have to cut NHS spending significantly, or else introduce widespread private charging for health services.

How are we doing? NHS Scotland in a global context

¹ It’s true that other areas of UK spending have been cut, with their own ‘Barnett consequentials.’ So the overall block grant has varied according to different spending decision across the board. But the healthcare ‘element’ has increased consistently.
² Scotland would lose the additional spending its gets from the Barnett Formula, as well as other funds such as the EU rebate and renewable energy subsidies. This would not be compensated for by any income from North Sea Oil. See What Costs Would an Independent Scotland Bear in its First Year? Europe Economics 2016.
³ According to Government Expenditure and Revenue Scotland 2016.
The best way to judge healthcare performance is to compare NHS outcomes with those of health systems on comparable countries. The Scottish Government measures a number of different healthcare categories in its *Scotland Performs* publication. Audit Scotland⁴ and the Information Services Division⁵ also collect useful data on the finance, management and performance of the health service. However, taken in isolation they are a limited as a guide to performance unless we know what can be achieved by reference to other countries.

Most international comparative studies on healthcare look at UK outcomes as a whole. However two recent studies have looked specifically at Scottish Healthcare. The *Eurohealth Consumer Index (EHCI)* by Swedish think tank Health Consumer Powerhouse⁶ is an annual comparison of European health services, including, in 2013 and 2014, the Scottish NHS.

Meanwhile the Health Foundation and the Nuffield Trust in 2014 published a report comparing the four health systems of the United Kingdom and the North East of England region.

The EHCI found that Scotland performed slightly worse than the rest of the UK (though not to a statistically significant degree), despite enjoying 11% higher spending, and significantly worse than other North West European countries in Scandinavia, the Benelux and Germany.

The Health Foundation and the Nuffield Trust⁷ concluded that performance is broadly similar across the UK, with Scotland, Wales and Northern Ireland catching up with England somewhat in areas such as waiting times and MRSA infections since the previous study (though Wales has a growing problem with waiting times).

Amenable mortality rates (which measures the causes of death that are responsive to health care) are still a little better in England than the rest of the UK, despite lower overall funding. The North East of England in particular seems to have pulled ahead of Scotland somewhat.

With Scotland and the rest of the UK performing at a similar level in both these studies, it is reasonable to look at overall UK measures of performance against international benchmarks as a proxy for Scottish performance.

A number of studies look at key indicators such as survival from cancer and strokes in OECD countries, as well as amenable mortality rates. The data shows that, while the NHS across the UK has improved its performance considerably since the Millennium, other health services in advanced countries have improved as well and the UK continues to perform relatively poorly compared to comparable jurisdictions⁸.

This data on UK health service outcomes contrasts sharply with another recent study *Mirror Mirror on the Wall*, published by the US Commonwealth Fund in June 2014, which rates the UK health system as the best⁹ in its survey.

**Time for a forward looking debate**

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⁵ See [http://www.isdscotland.org/](http://www.isdscotland.org/)
⁶ For a full breakdown of results, see [http://www.healthpowerhouse.com/](http://www.healthpowerhouse.com/).
⁹ Though it repeatedly confuses the UK with England.
The evidence for how Scotland’s health service is performing is mixed. The majority of surveys seem to show an improving picture, but within an international context where health is improving across the board and the NHS is not as effective as health systems in many comparable countries, particularly in our region of Europe.

The real debate, then, needs to be on how we improve the NHS to make it the best in the world, learning from our neighbours in the Low Countries, Scandinavia and elsewhere.

Part of this must necessarily be in devising performance measures that are compatible with other countries so that we can compare ourselves with the best.\(^\text{10}\)

We need to move on from a narrow debate in which the NHS is used by as a political football in a nationalist campaign to a forward looking vision of how to improve the NHS using the powers that exist at Holyrood and the secure financial base the NHS has as part of the UK.

\(^{10}\) Both the Nuffield and HCP studies point out that Scottish public data on health performance, while comprehensive, is not compatible with, and is indeed diverging from, other jurisdictions, severely undermining its usefulness.