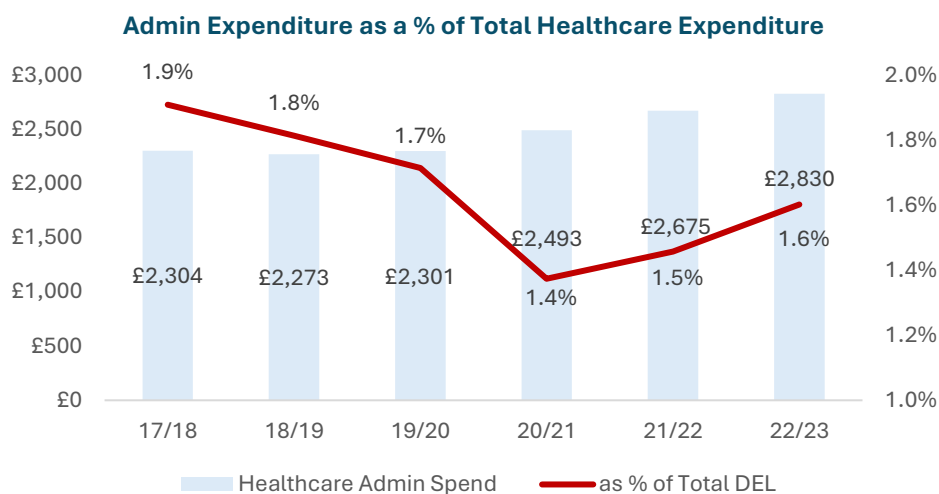


Turning attention to [NHS spend on Administration](#), the chart below shows £2.83 billion spend in 22/23, representing a 4.2% CAGR compared to 17/18. Total Departmental Expenditure limit for Healthcare rose 7.9% across the same period, causing the Administration share of spend to fall slightly from 1.9% in 17/18 to 1.6% in 22/23.



Comparing the UK with other health systems, research by the [Kings Fund in 2023](#) based on [OECD data](#), showed the UK ranked around average for Healthcare Administration spending compared to similar public health systems prior to the Covid pandemic. However the more recent increases in the Administrative workforce are likely to have changed this position. [Compared to other industries](#), healthcare does not appear to have an abnormally high administration expense. However [surveys of leaders](#) within the NHS have identified that the majority believe the NHS wastes too much money in inefficiency. See also the third section of this blog, which discusses how only 80pence of the UK health and Social Care pound may be reaching front line clinical services.

Looking at IT and digital spending specifically, various analyses place healthcare IT spend at about 5% as a global average. It's difficult to estimate the NHS position specifically, but trust are typically believed to spend around 2% of their total costs on IT. Central IT costs in NHS Digital stood at £634million in FY22/23. NHSE has identified that the NHS will need around [£8.1 billion to deliver its digital transformation ambitions](#), including £5.1 billion from national bodies and £3 billion from trusts.

The NHS should drive through efficiency savings across back office processes, especially those that are still largely manual processes, and reinvest the savings in accelerating its digital agenda.



The Health Analyst

About

The Health Analyst (THAhealth.com) is a blog site discussing the big issues facing the Healthcare and Life Sciences world today. It aims to shine the spotlight on new thinking and ideas that could drive positive change for all.

The Health Analyst works in the Healthcare sector, and has held a variety of different roles over a long career. This has enabled them to develop an innovative perspective on what needs to be changed and how it could be achieved.

The ideas presented in the blogs have been thoroughly researched and fairly presented. If you've got feedback or perspective to add, please contact us on info.thahealth@gmail.com.