



A decade of decline: how did we get here?

Every year NHS England collects data from each hospital in England, setting out their maintenance backlog. This data set – the Estates Return Information Collection, commonly known by its acronym (ERIC) – is the most up-to-date picture of the state of the NHS estate. October 2022's data shows that the total backlog has reached £10.2 billion;ⁱⁱⁱ that number is a third of the cost of the New Hospital Programme in leaking roofs, broken lifts and outdated IT systems waiting to be fixed, not to mention the still developing extent of reinforced autoclaved aerated concrete (RAAC).

Capital investment is more than just fixing roofs. It is about investing in the infrastructure – buildings, medical equipment, IT and digital tools – needed to continually become more efficient at treating patients as care becomes more expensive and the population ages. [16] The NHS uses capital funding to undertake a vast range of projects, from changing models of care within an integrated care system to small-scale investments to ensure the public gets value for money in their public service.

But the recent RAAC issue in schools highlights the state of much of the UK's public capital infrastructure. [17;18] It is no surprise given the lack of investment and it is a problem that stretches across multiple governments. The NHS is a case in point: the UK has consistently spent less money on capital investment than its OECD peers for more than five decades

Figure 1

The situation deteriorated to the extent that between 2014/15 and 2018/19, the capital budget was raided to pay for holes in the

revenue budget. [19] The UK's capital investment per health worker is even worse, with the proportion of capital per worker decreasing by around a third since the turn of the century. [20] This can be seen in material terms when comparing how many MRI scanner or diagnostic machines the UK has compared with similar countries, as shown in figure 2. [21] Health Foundation analysis confirms that had we matched the EU14 average in the ten years to 2019, the UK would have spent another £33 billion – the equivalent of a whole New Hospital Programme. [22] More capital funding means the entire NHS can buy the equipment it needs.

Figure 2

iii We use 2021/22 returns. While 2021/22's results were released in October 2022, 2022/23's won't be released until December 2023 and therefore cannot be included in this report.

<https://digital.nhs.uk/data-and-information/publications/statistical/estates-returns-information-collection/england-2021-22>; <https://www.gov.uk/government/publications/reinforced-autoclaved-aerated-concrete-raac-in-hospitals-management-informatio>

Chapter footnotes

iii.