

Statistical bulletin

# Healthcare expenditure, UK Health Accounts: 2023 and 2024

Healthcare expenditure statistics for 1997 to 2024, produced to the international definitions of the System of Health Accounts 2011.

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# 1 . Main points

- Our provisional estimates indicate that nominal UK healthcare expenditure was approximately £317 billion in 2024.
- Between 2023 and 2024, total healthcare expenditure grew by 6.5% in nominal terms and, after adjusting for inflation, by 2.4% in real terms.
- Healthcare spending as a share of gross domestic product (GDP) was 11.1% in 2024, similar to the level in 2023.
- Government-financed healthcare makes up most healthcare spending in the UK and was £258 billion in 2024, a real-terms increase of 2.5% from 2023.
- Total pharmaceutical spending (which captures the human consumption of medicines and vaccines) fell by 5.4% in real terms between 2022 and 2023 (the latest years for which data are available); this was mainly caused by lower spending on the coronavirus (COVID-19) vaccination programme.
- Total long-term care expenditure grew by 3.1% in real terms in 2023, with the main cause being increased government spending on long-term care.

UK Health Accounts use definitions in the System of Health Accounts 2011 framework. These are broader than those used in other UK analyses and include some services considered social care in the UK. As such, the measure of healthcare expenditure in this release is not equivalent to NHS spending.

## 2 . Provisional estimates of healthcare expenditure in 2024

# Total current healthcare expenditure

Our provisional estimates suggest that approximately £317 billion was spent on healthcare in the UK in 2024, including both government and non-government expenditure. Estimates for 2024 are provisional and limited to healthcare expenditure by financing schemes. As they are based on initial data, they are subject to a greater degree of uncertainty than expenditure between 1997 and 2023. Our analysis of healthcare spending in 2023 is more granular, as it is based on more detailed but less timely data sources.

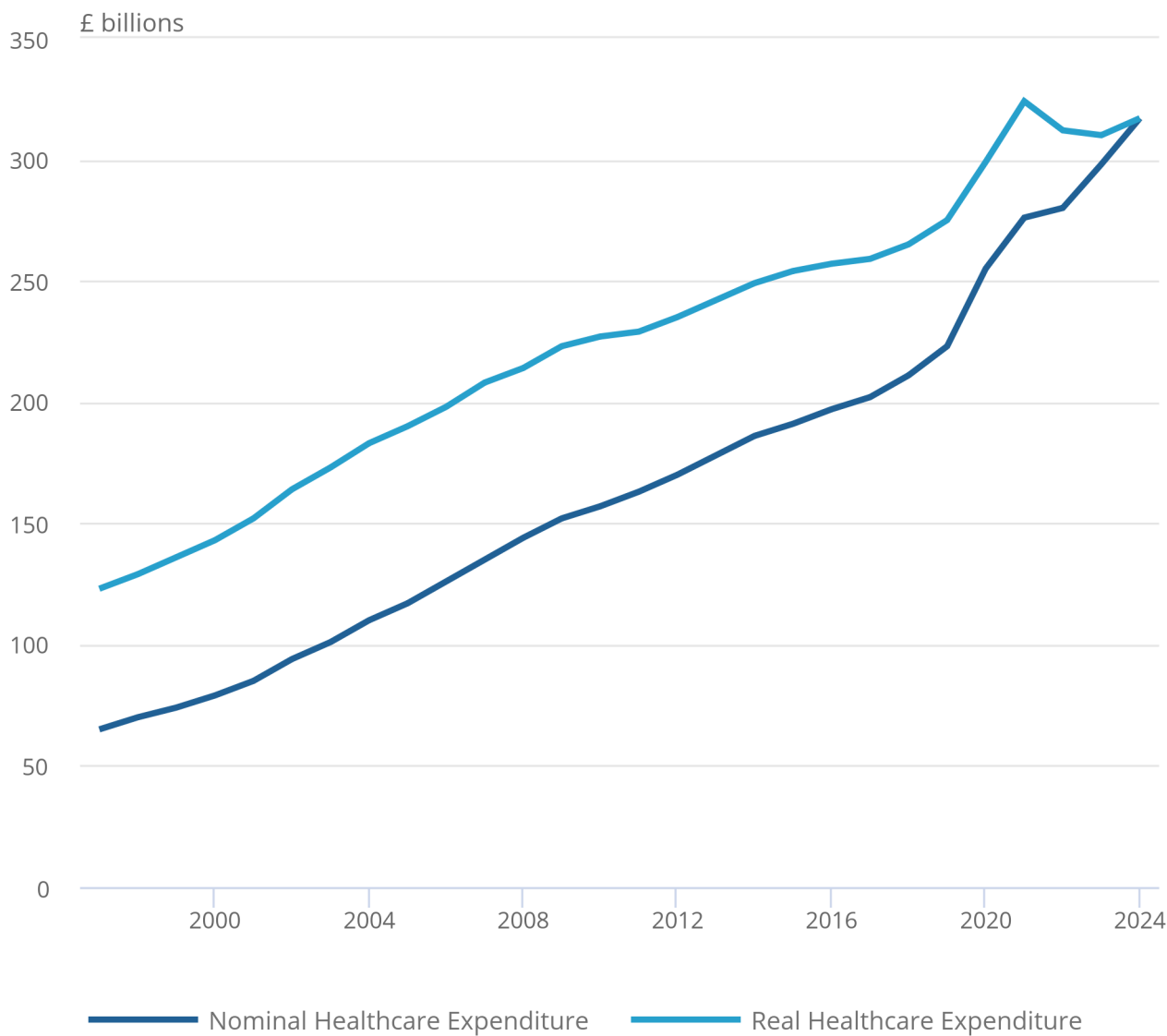
In this bulletin, "healthcare spending" refers to current healthcare expenditure and excludes capital outlay. Estimates of healthcare capital expenditure are presented separately in [Section 6: Capital expenditure](#).

Figure 1: Healthcare expenditure grew in both nominal terms and real terms in 2024

Total current healthcare expenditure, in nominal and real terms, £ billion, UK, 1997 to 2024

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Total current healthcare expenditure, in nominal and real terms, £ billion, UK, 1997 to 2024



Notes:

1. Real-terms figures are presented in 2024 prices, adjusted for inflation using the gross domestic product (GDP) deflator.
2. Challenges in measuring the GDP deflator over the coronavirus (COVID-19) pandemic mean that particular care should be taken in interpreting real-terms growth over 2020 and 2021.
3. Figures for 2024 are provisional estimates based on more timely but less comprehensive data sources than earlier years.

Total healthcare expenditure grew by 6.5% in nominal terms between 2023 and 2024, compared with growth of 6.3% in 2023. After adjusting to account for general inflation in the economy over that period, healthcare spending grew by 2.4% in 2024, following a 0.6% fall in 2023. It is important to remember that inflation in health-specific goods and services may differ from inflation in the general economy. Therefore, these growth rates do not represent changes in the volume of healthcare provided in the economy.

Within the UK National Accounts, quarterly chained volume measures are published for government and household consumption expenditure on healthcare. More information is available in our [Gross domestic product \(GDP\) data tables](#) (for government expenditure) and in our [Consumer trends bulletin](#) (for household consumption expenditure), respectively. Our [Public service productivity article](#) also provides estimates of public service healthcare output volumes for England, while volumes for a range of privately funded services are collected and reported by the [Private Healthcare Information Network](#).

It is important to note that these data sources represent a different definition of healthcare to that used in the health accounts and are not directly comparable. For example, differences in the treatment of services considered in the UK to be social care. Further information on comparisons to other healthcare spending analyses is available in our [UK Health Accounts quality and methodology information \(QMI\)](#).

## Healthcare expenditure as a share of GDP

Healthcare expenditure accounted for 11.1% of gross domestic product (GDP) in 2024, which is comparable with the 11.0% share in 2023. This reflected the fact that nominal growth in healthcare expenditure was similar to the growth in the overall economy in 2024.

While lower than at the height of the coronavirus (COVID-19) pandemic in 2020 and 2021, the share of GDP attributable to healthcare in 2024 remains higher than the levels observed before the pandemic, with healthcare expenditure representing between 9.7% and 10.0% of the economy between 2009 and 2019.

### Figure 2: Healthcare spending as a share of GDP remained at a similar level to 2023 in 2024, growing at broadly the same pace as GDP

Share of GDP attributed to total current healthcare expenditure and growth contributions, percent, UK, 1997 to 2024

Notes

1. The nominal growth in gross domestic product (GDP) is inverted relative to the direction of nominal GDP growth. For instance, a fall in GDP will be shown as a positive contribution of GDP growth to the change in healthcare expenditure as a percentage of GDP.

# Financing of healthcare expenditure in the UK

Government expenditure is the principal mode of healthcare financing in the UK and stood at £258 billion in 2024. This mode of financing includes spending by the NHS, local authorities and other public bodies. Government spending on healthcare in 2024 was estimated to be 2.5% higher in real terms than spending in 2023.

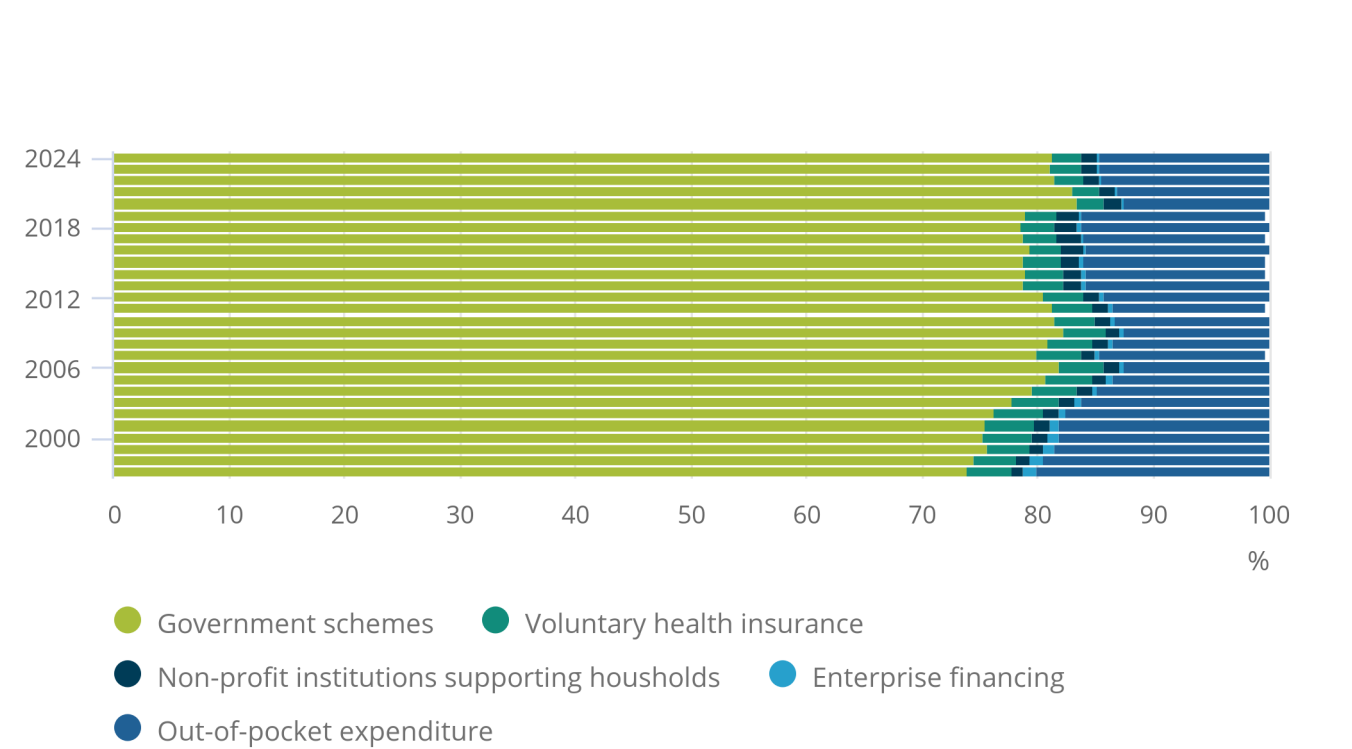
While government healthcare expenditure has been the largest means of healthcare financing throughout the time series, the share of spending attributed to government has increased from 74.0% in 1997 to 81.3% in 2024. Government spending represented a higher share of healthcare expenditure in 2024 than in 2019, before the pandemic, where it was 79.0% of total healthcare expenditure.

**Figure 3: The proportion of healthcare expenditure provided by government schemes has remained level in 2024**

Share of total current healthcare expenditure by financing scheme, percent, UK, 1997 to 2024

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Share of total current healthcare expenditure by financing scheme, percent, UK, 1997 to 2024



Source: UK Health Accounts from the Office for National Statistics

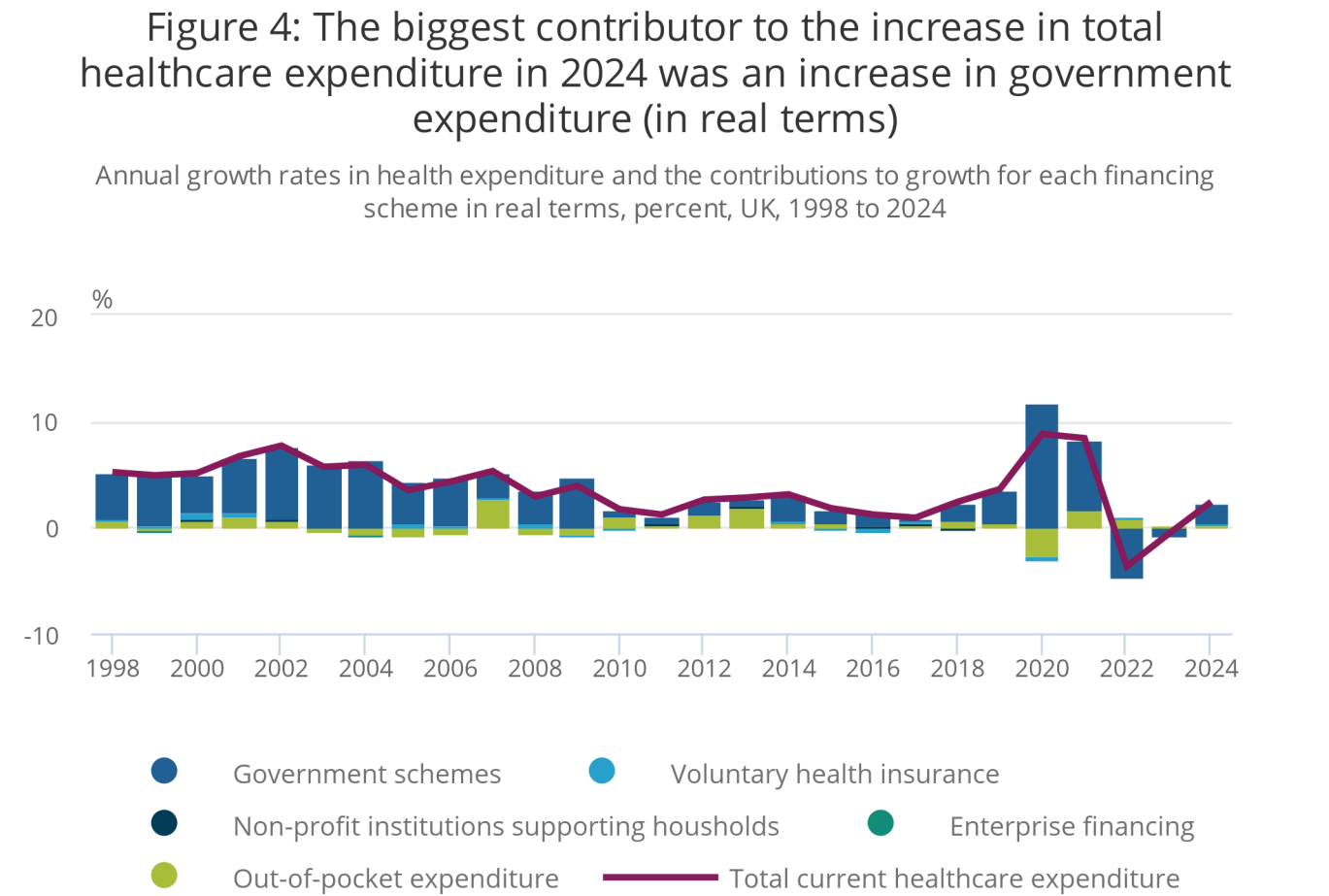
Notes:

1. Figures may not sum because of rounding.

The largest non-government financing arrangement in 2024 was out-of-pocket expenditure, which includes private spending by consumers on hospital treatments and other health services, medical goods, and some long-term care services. Out-of-pocket expenditure accounted for 14.6% of overall healthcare spending or £46 billion in 2024. Voluntary health insurance, the next largest means of financing, was 2.6% of overall spending on healthcare in 2024, or £8.3 billion. The smallest financing schemes were non-profit institutions serving households (NPISH), which represent where charities finance healthcare, and enterprise financing schemes (or employer-provided healthcare). These accounted for 1.4% and 0.2% of total healthcare expenditure, respectively.

**Figure 4: The biggest contributor to the increase in total healthcare expenditure in 2024 was an increase in government expenditure (in real terms)**

Annual growth rates in health expenditure and the contributions to growth for each financing scheme in real terms, percent, UK, 1998 to 2024



Source: UK Health Accounts from the Office for National Statistics

Notes:

1. Real terms figures are adjusted for inflation using the gross domestic product (GDP) deflator.
2. Figures for 2024 are provisional estimates based on more timely but less comprehensive data sources than preceding years.

### 3 . Healthcare expenditure in 2023

This and subsequent sections of the bulletin present more detailed analysis of healthcare expenditure up to 2023. These figures are produced from more-comprehensive but less-timely data sources than our provisional high-level 2024 estimates discussed in [Section 2: Provisional estimates of healthcare expenditure in 2024](#). Expenditure estimates are presented in real terms (2024 prices).

# Government healthcare expenditure

Government healthcare expenditure was £252 billion in 2023 (in 2024 prices), reflecting a 5.9% increase in nominal terms and a 0.9% decrease in real terms compared with 2022. Government expenditure also fell in 2022, following unprecedented growth in 2020 and 2021 during the height of the coronavirus (COVID-19) pandemic.

Healthcare represents a sizeable share of overall government spending on goods and services. Healthcare, as reported under the UK Health Accounts definitions, represented 43.1% of government spending on goods and services in 2024, an increase from 31.6% in 1997 (the start of the series).

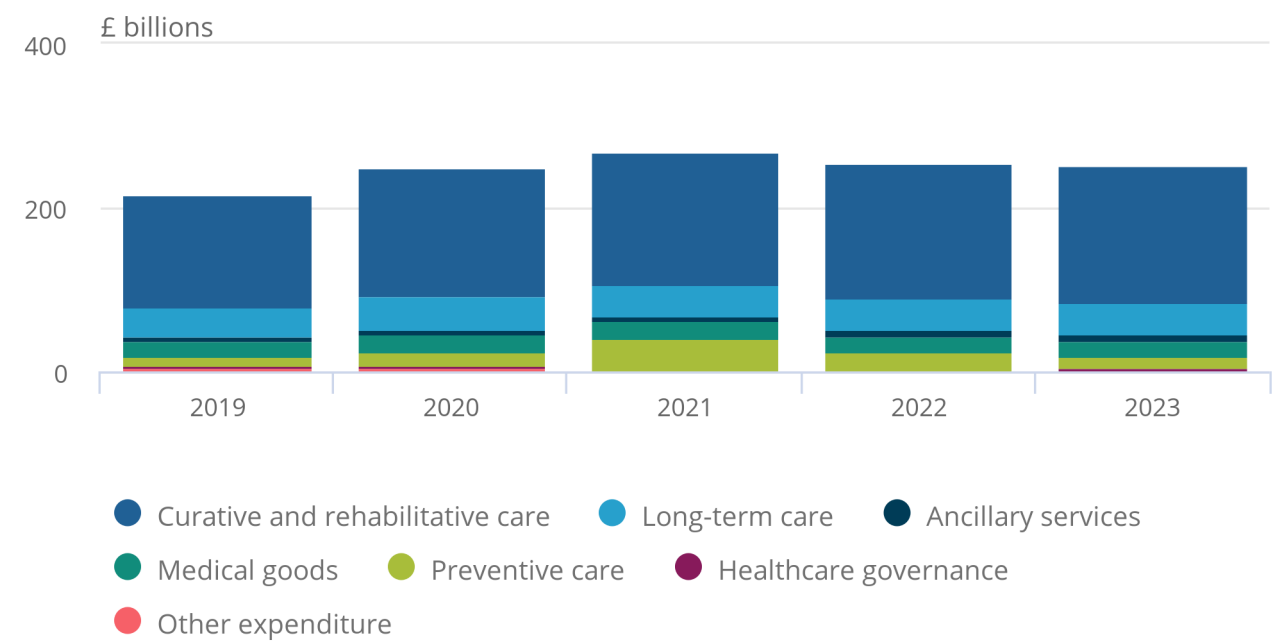
The fall in government healthcare expenditure in 2023 was mainly caused by reduced spending on preventive care, which fell by 37.6% in real terms compared with spending in 2022. This offset growth in other types of healthcare, such as curative, rehabilitative and long-term care.

**Figure 5: Lower spending on preventive care contributed to the fall in government healthcare expenditure in 2023**

Government health expenditure by function in real-terms 2024 prices, £ billion, UK, 2019 to 2023

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Government health expenditure by function in real-terms 2024 prices, £ billion, UK, 2019 to 2023



Source: UK Health Accounts from the Office for National Statistics

Notes:

1. Real terms figures are presented in 2024 prices, adjusted for inflation using the gross domestic product (GDP) deflator.
2. Some elements of the 2022 data are based on provisional expenditure estimates.

The onset of the pandemic had a substantial impact on government healthcare spending between 2020 and 2022. This was especially true of preventive care spending, which went from representing 4.5% of government healthcare expenditure in 2019 to a peak of 14.1% in 2021, primarily because of the establishment of programmes responding to the pandemic. In 2023, the share of preventive care had fallen back to 5.2%, which is more comparable to the pre-pandemic period, although still higher. This includes spending on COVID-19 vaccination services which are still provided for clinically at-risk groups and represented around 11.8% of preventive care spending in 2023.

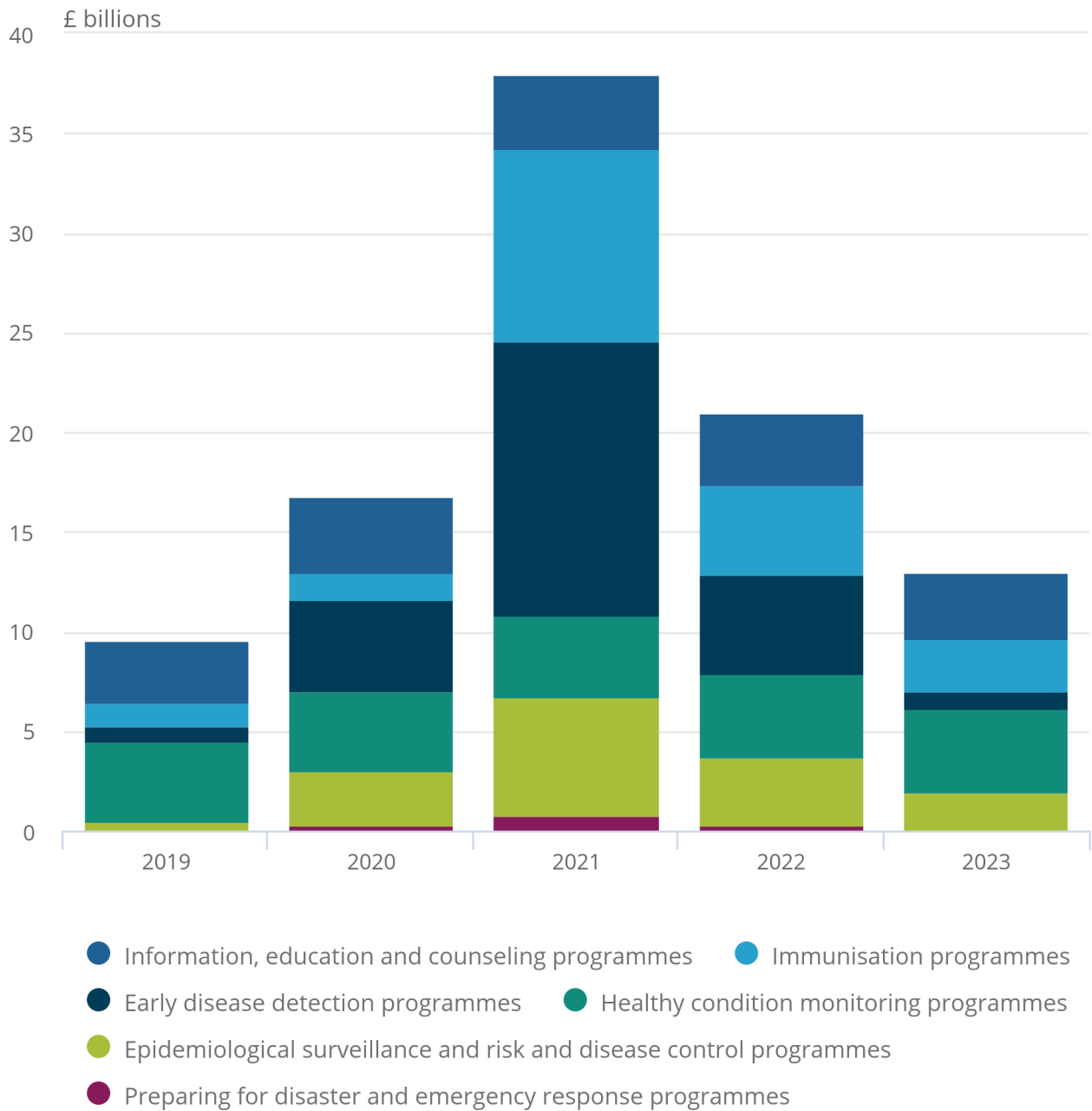


**Figure 6: The fall in preventive care spending in 2023 was largely caused by a reduction in COVID-19-related activities**

Preventive care expenditure by function in real-terms 2024 prices, £ billions, UK, 2019 to 2023

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Preventive care expenditure by function in real-terms 2024 prices, £ billions, UK, 2019 to 2023



Source: UK Health Accounts from the Office for National Statistics

Notes:

1. Real terms figures are presented in 2024 prices, adjusted for inflation using the gross domestic product (GDP) deflator.
2. Preventive care includes spending on coronavirus (COVID-19) related testing, tracing, vaccination and pandemic management from 2020 onwards.

## Non-government healthcare expenditure

While the UK's universal healthcare system provides widespread public coverage of health services, there are also alternative means of financing healthcare that fund both complementary and additional services. While non-government healthcare financing represents privately arranged healthcare, it also covers instances where co-payments are required for government-funded services, like prescription fees or contributions towards adult social care costs.

Total non-government healthcare expenditure increased by 1.0% in 2023 in real terms to reach £58.2 billion (in 2024 prices), with growth coming from all non-government financing schemes except non-profit institutions serving households (NPISH). This partly reflects the continued resumption of services that were disrupted in 2020 because of economy-wide measures to combat the coronavirus pandemic. Spending on non-government healthcare services fell in real terms by 14.4% year on year in 2020, before increasing by 10.4% in 2021 and 6.0% in 2022. Total non-government spending in 2023 was 1.1% higher in real terms than before the pandemic in 2019.

The largest non-government financing scheme in the UK was out-of-pocket expenditure, which represents direct payments for healthcare by households. This includes entirely self-funded treatments, as well as contributions to government-funded care and co-payments on health insurance.

In 2023, out-of-pocket spending grew in real terms by 1.1%, with dental and long-term care expenditure being the main causes of growth. In comparison, self-funded medical goods spending fell in 2023. This was mainly caused by a reduction in spending on therapeutic appliances, a category that includes eyewear, and non-pharmaceutical medical goods. Out-of-pocket health-related long-term care spending rose by 2.7% in real terms in 2023 and represented around 38% of out-of-pocket spending. Out-of-pocket dental expenditure was 10.9% higher in real terms than spending before the pandemic in 2019, with long-term care spending being 9.7% higher. Medical goods spending was 12.1% lower in real terms in 2023 than in 2019.

Spending on voluntary health insurance (VHI) increased by 2.4% in real terms in 2023. While the amount spent on administration and the financing costs of providing insurance fell, the cost of claims grew by 12.3%. Spending on voluntary health insurance in 2023 was higher in real terms than before the pandemic in 2019, rising from £7.8 billion in 2019 to £8.0 billion in 2023 (in 2024 prices).

## 4 . Long-term care expenditure

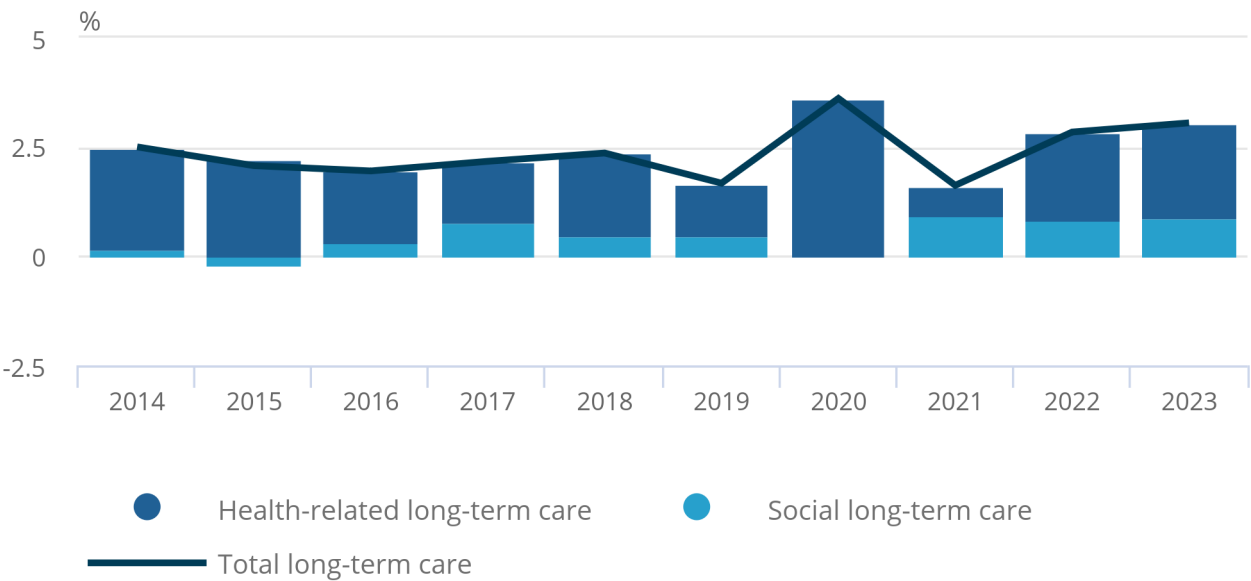
Total long-term care expenditure stood at £73.3 billion in 2023 (in 2024 prices). This was 3.1% higher in real terms than in 2022 and 11.6% higher than before the pandemic in 2019.

**Figure 7: Both health-related and social long-term care contributed to total long-term care growth in 2023**

Annual growth rates in total long-term care and the contributions to growth for components in real terms, percent, UK, 2014 to 2023

Figure 7: Both health-related and social long-term care contributed to total long-term care growth in 2023

Annual growth rates in total long-term care and the contributions to growth for components in real terms, percent, UK, 2014 to 2023



Source: UK Health Accounts from the Office for National Statistics and LaingBuisson

Notes:

1. Real-terms figures are adjusted for inflation using the gross domestic product (GDP) deflator.
2. Figures may not sum because of rounding.

Government spending made up 68.8% of total long-term care expenditure in 2023 and grew by 3.8% in real terms compared with 2022. Out-of-pocket expenditure, the second largest financing scheme for total long-term care, increased by 2.5% in real terms compared with 2022.

## 5 . Total pharmaceutical expenditure

Total pharmaceutical expenditure was £35.9 billion in 2023 (2024 prices), with:



- 50.8% relating to spending on community-prescribed medicines
- 24.1% on over-the-counter medicines
- 7.4% relating to immunisation programmes
- 17.7% relating to medicines administered as part of courses of treatment

The measure presents net expenditure on medicines, accounting for pharmaceutical rebates, as well as payments made through voluntary and statutory payback schemes such as the [2019 voluntary scheme for branded medicines pricing and access](#). The scale of payments made through payback schemes each year may be affected by previous years' sales and payments, which can influence growth in overall pharmaceutical expenditure. As a comparison, gross of these payments, total pharmaceutical expenditure in 2023 was £39.4 billion.

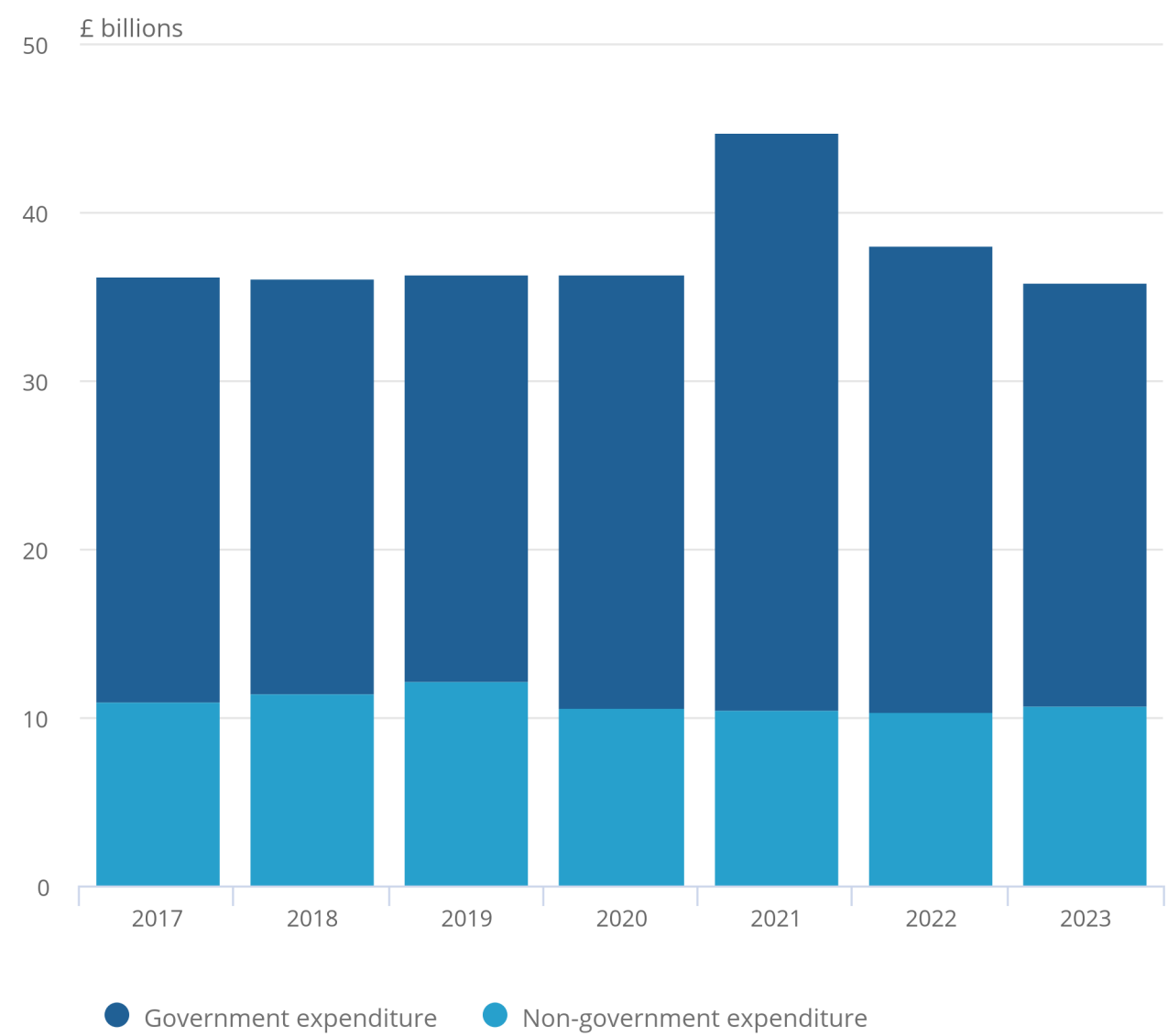
Total pharmaceutical expenditure fell by 5.4% in real terms in 2023, because of lower government spending. This was mainly because of lower spending on the coronavirus (COVID-19) vaccination programme in 2023. Non-government expenditure grew by 3.5% in 2023. This was mainly caused by increased household spending on over-the-counter medicines.

**Figure 8: Total pharmaceutical expenditure fell in 2023, mainly because of reduced immunisation programme expenditure**

Total pharmaceutical expenditure, in real-terms 2024 prices, £ billions, UK, 2017 to 2023

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Total pharmaceutical expenditure, in real-terms 2024 prices, £ billions, UK, 2017 to 2023



Source: UK Health Accounts from the Office for National Statistics

Notes:

- 1. Real terms figures are presented in 2024 prices, adjusted for inflation using the gross domestic product (GDP) deflator.

The definitions of our measure of total pharmaceutical expenditure differ compared with other sources of data, including NHS estimates (see [Section 9: Data sources and quality](#)). Caution should be exercised when making international comparisons, as not all countries estimating total pharmaceutical expenditure are able to account for pharmaceutical rebates and pricing mechanisms.

## 6 . Capital expenditure

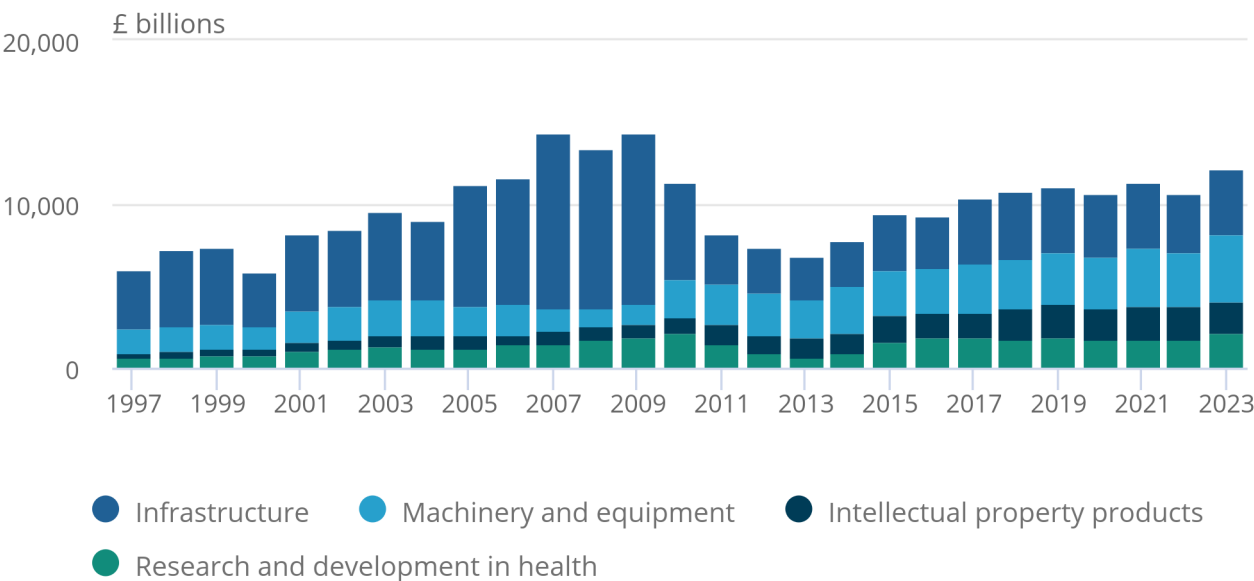
Gross fixed capital formation is an estimate of net capital expenditure by both the public and private sectors in the UK. More information is available in our [Short guide to gross fixed capital formation and business investment](#). Net capital expenditure refers to acquisition minus disposals. It is an additional measure and not a part of the headline current healthcare expenditure statistics. In 2023, the net capital outlay on healthcare in the UK was £12.2 billion (in 2024 prices), including £2.1 billion related to research and development (R&D), which is typically excluded from international comparisons.

**Figure 9: Estimated capital outlay for healthcare was higher in 2023 in real terms than at any point since 2009**

Expenditure on healthcare gross fixed capital formation, in real-terms 2024 prices, £ billions, UK, 1997 to 2023

Figure 9: Estimated capital outlay for healthcare was higher in 2023 in real terms than at any point since 2009

Expenditure on healthcare gross fixed capital formation, in real-terms 2024 prices, £ billions, UK, 1997 to 2023



Source: Gross fixed capital formation from the Office for National Statistics

Notes:

1. Real-terms figures are presented in 2024 prices, adjusted for inflation using the gross domestic product (GDP) deflator.
2. Intellectual property products exclude research and development, for better international comparisons.
3. International definitions of gross fixed capital formation exclude research and development into healthcare.

# 7 . Revisions

Last year, our [Healthcare expenditure provisional estimates](#) were revised upwards by £5.5 billion overall, with the largest revision being a £3.2 billion upward revision to out-of-pocket spending.

Table 1: Revisions to provisional estimates of healthcare expenditure in 2023 (£ billions, current prices)

	All financing schemes	Government schemes	Voluntary health insurance	Non-profit institutions serving households	Enterprise financing	Out-of-pocket expenditure
Provisional estimate	292.5	239.4	7.3	4.8	0.5	40.4
Revised estimate	298.0	242.0	7.7	4.2	0.5	43.6

Source: UK Health Accounts from the Office for National Statistics

For years before 2023, data source changes and improvements have resulted in revisions of no more than 1.2% of total current healthcare expenditure either upwards or downwards. Changes to the back series are largest for out-of-pocket expenditure and come from updated source data. The largest revisions come from:

- the re-evaluation of the market size for elements of the private healthcare sector made by our data providers
- revisions to national accounts estimates of household final consumption expenditure, as outlined in [Section 3 of our gross domestic product \(GDP\) revisions in Blue Book: 2024](#).

Further information on revisions is available in our [UK Health Accounts dataset](#).

# 8 . Data on UK Health Accounts

## [UK Health Accounts](#)

Dataset | Released 30 April 2024

UK healthcare expenditure data by financing scheme, function and provider, and additional analyses produced to internationally standardised definitions.



## 9 . Data sources and quality

Data presented in this bulletin are consistent with the definitions of the Organisation for Economic Co-operation and Development (OECD's) [System of Health Accounts 2011 framework](#).

More information about the sources and methods used to produce the UK Health Accounts are available in our [UK Health Accounts: methodological guidance](#). For more information about the sources and methods used to produce our provisional 2024 estimates of healthcare expenditure, please see our [UK Health Accounts: T-1 estimates of healthcare expenditure methodological guidance](#). The methods used to compile our back series before 2013 are presented in our [Estimating the 1997 to 2012 UK Health Accounts time series methodology guidance](#).

Long-term care expenditure accounts for services aimed at managing chronic health conditions related to long-term care dependency and reducing suffering where an improvement in health is not expected. Total long-term care can be divided into health-related long-term care and social long-term care. For definitions of these terms please see Section 5 of our [Healthcare expenditure, UK Health Accounts: 2019 bulletin](#).

Quality and methods information for the UK Health Accounts can be found in our [UK Health Accounts QMI](#).

### Strengths and limitations

#### International comparability

The UK Health Accounts are constructed using standardised definitions drawn from the [System of Health Accounts 2011 framework](#). This framework is employed by all EU member states and most OECD countries, making the Health Accounts the most suitable source for international comparisons of healthcare expenditure.

#### Timeliness

Sufficiently detailed data needed to produce estimates of spending on healthcare functions and providers are only available at a two-year lag, which limits the timeliness of our detailed health accounts breakdowns.

However, we produce provisional estimates of healthcare expenditure at a one-year lag, which means we can present high-level provisional estimates for healthcare expenditure for 2024. The data used to produce these provisional estimates are based on growth presented in quarterly national accounts data. These provisional estimates are subject to data revisions, reflecting the inherent trade-off between timeliness and accuracy of different data sources. Quarterly national accounts data are subject to revision, as explained in Section 3 of the [National Accounts Revisions Policy](#).

#### Data limitations

Our estimates of government healthcare expenditure by healthcare function and provider for 2022 are subject to greater uncertainty than other years because of higher-level National Cost Collection (NCC) data being used to estimate growth in NHS trust expenditure by type of activity in England. This is used in the estimation of government spending for hospitals, ancillary providers and other ambulatory providers. Changes in the coverage of different healthcare services in the National Cost Collection have presented challenges in identifying spending for some healthcare functions and providers. Out-of-pocket general practice expenditure estimates are based on a new market analysis by our data providers for 2023, with estimates for earlier years being revised to ensure consistency in levels. We will continue to work with data producers to improve the consistency of our lower-level estimates over the time series.

#### Identification of COVID-19 related costs

While we have attempted to identify expenditure on coronavirus (COVID-19) related services during the pandemic separately, we have been limited to reporting spending on testing and tracing services, COVID-19 vaccinations, and therapeutic treatments for COVID-19. We have not been able to identify other COVID-19 services, such as costs associated with treating COVID-19, separately from other forms of treatment. For 2023, following the winding down of testing and tracing services, we have published estimates of COVID-19 vaccine expenditure only.

## 10 . Related links

### [UK Health Accounts: methodological guidance](#)

Methodology | Last revised 17 May 2023

This guidance note explains the methodology used to calculate healthcare expenditure for government and non-government financing schemes of health accounts.

### [UK Health Accounts QMI](#)

Methodology | Last revised 30 April 2025

Quality and methods information for the UK Health Accounts.

### [Estimating the 1997 to 2012 UK Health Accounts time series – methodology guidance](#)

Methodology | Last revised 28 April 2020

The methodology used to calculate healthcare expenditure by financing scheme for the period 1997 to 2012 on a basis consistent with the international definitions of the System of Health Accounts 2011.

### [UK Health Accounts: T-1 estimates of healthcare expenditure – methodological guidance](#)

Methodology | Last revised 1 June 2021

The methodology used to calculate healthcare expenditure by financing scheme for the year t-1 on a basis consistent with the back series of the UK Health Accounts.

### [Introduction to health accounts](#)

Article | Last revised 12 May 2016

This article explains what health accounts are and how they differ from the previous Office for National Statistics (ONS) analysis "Expenditure on healthcare in the UK".

### [System of Health Accounts 2011 \(revised edition\)](#)

Framework | Released 16 March 2017

A systematic description of the financial flows related to the consumption of healthcare goods and services from the Organisation for Economic Co-operation and Development (OECD).

### [Public service productivity: total, UK, 2022](#)

Bulletin | Released 27 March 2025

Updated measures of output, inputs and productivity for UK public services between 1997 and 2022, including service area breakdown, quality adjustment, and latest revisions.

### [OECD health accounts datasets](#)

Dataset | Updated as new data become available

Data on health expenditure and financing for Organisation for Economic Co-operation and Development (OECD) member states.

## 11 . Cite this statistical bulletin

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