

Statistical bulletin

Healthcare expenditure, UK Health Accounts: 2024 and 2025

Healthcare expenditure statistics for 1997 to 2025, 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 £345 billion in 2025.
- Between 2024 and 2025, total healthcare expenditure grew by 7.7% in nominal terms and, after adjusting for inflation, by 3.9% in real terms.
- Healthcare spending as a share of gross domestic product (GDP) was 11.4% in 2025, higher than the share of 11.1% in 2024.
- Government-financed healthcare makes up most healthcare spending in the UK (81% of the total) and was £280 billion in 2025, a real-terms increase of 4.2% from 2024.

UK Health Accounts use definitions in the Organisation for Economic Co-operation and Development (OECD's) [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 2025

Total current healthcare expenditure

Our provisional estimates suggest that approximately £345 billion was spent on healthcare in the UK in 2025, including both government and non-government expenditure, and equating to around £4,966 per person. Estimates for 2025 are provisional and limited to healthcare expenditure by financing schemes. As they are based on non-final financial data, these estimates are subject to a greater degree of uncertainty than expenditure estimates between 1997 and 2024.

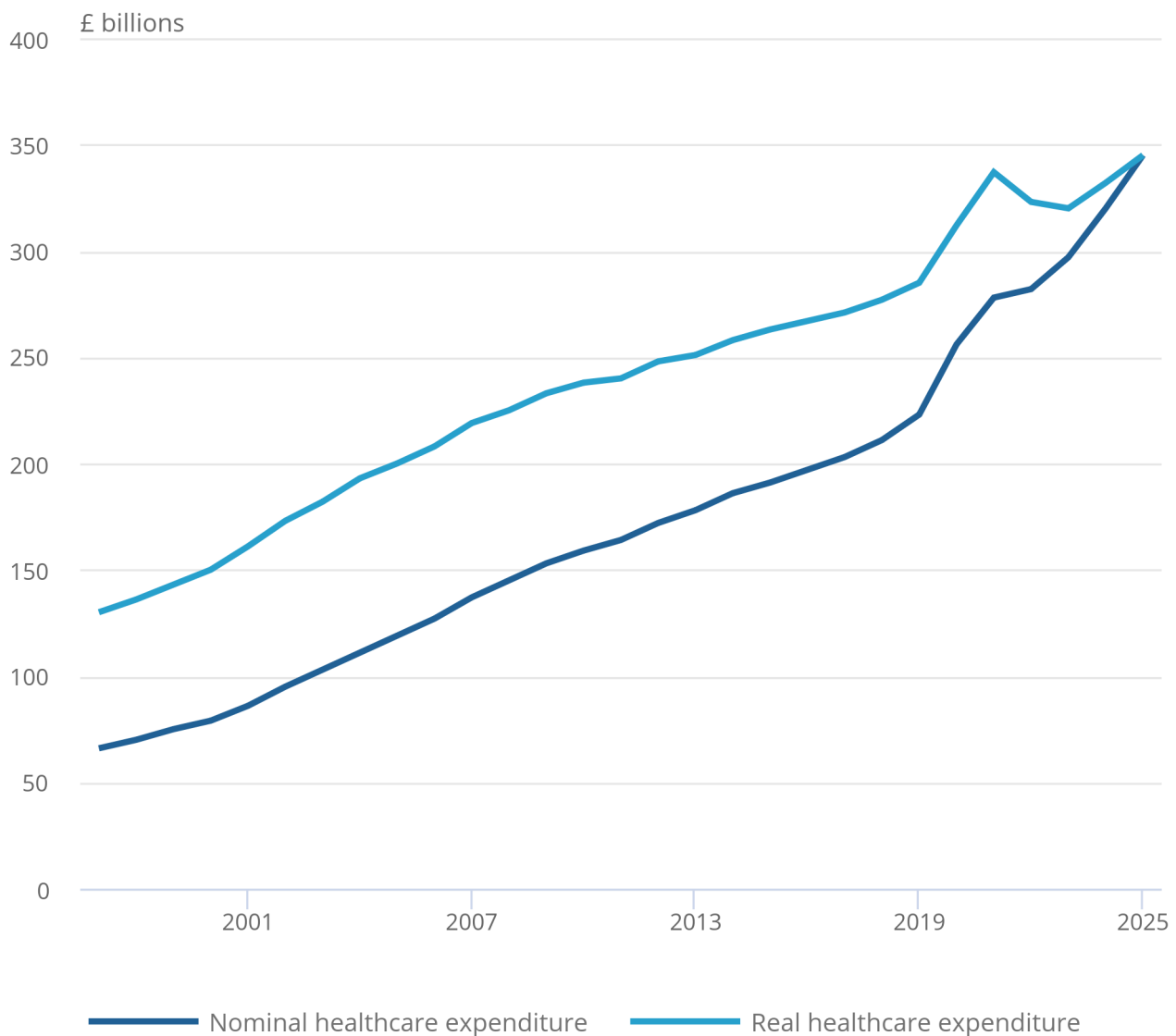
In this bulletin, "healthcare spending" refers to current healthcare expenditure and excludes capital outlay. Estimates of healthcare capital expenditure are presented separately in [Section 6: Capital expenditure](#).

Figure 1: Healthcare expenditure grew in both nominal terms and real terms in 2025

Total current healthcare expenditure, in nominal and real terms, £ billion, UK, 1997 to 2025

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Total current healthcare expenditure, in nominal and real terms, £ billion, UK, 1997 to 2025



Notes:

1. Real terms figures are presented in 2025 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 2025 are provisional estimates based on more timely but less comprehensive data sources than earlier years.

Total healthcare expenditure grew by 7.7% in nominal terms between 2024 and 2025, compared with growth of 7.8% in 2024. After adjusting to account for general inflation in the economy over that period, healthcare spending grew by 3.9% in 2025, compared with 3.8% growth in 2024.

Since 2023, the first full calendar year following the [end of national coronavirus \(COVID-19\) pandemic countermeasures](#), healthcare spending grew at an average annual rate of 3.8% in real terms. This is higher than the pre-pandemic average annual growth rate of 3.6% (1997 to 2019). The average annual rate used here is the compound average growth rate.

Our real terms estimates are produced using the GDP deflator to adjust for general inflation. Therefore, these real terms estimates are not measures of healthcare activity or volumes directly. As a whole-economy price deflator, the GDP deflator is not a measure of average healthcare inflation, and it will also not account for the variation in price inflation across different components of health spending. Instead, our real terms figures represent healthcare spending relative to the general increase in prices 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 they are not directly comparable. For example, between the two there are 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 11.4% of gross domestic product in 2025, which is higher than the 11.1% share in 2024. This reflected the fact that growth in healthcare expenditure was faster than growth in the overall economy in 2024, and is primarily because of an increase in the share of government healthcare spending relative to the size of the economy.

Healthcare expenditure represented a larger share of the overall economy in 2025 than prior to the coronavirus pandemic. Between 2009 and 2019, healthcare expenditure represented between 9.7% and 10.0% of the economy, as shown in Figure 2.

Figure 2: Healthcare spending as a share of GDP has been consistently higher post-coronavirus (COVID-19) pandemic

Share of GDP attributed to total current healthcare expenditure and growth contributions, percent, UK, 1997 to 2025

Notes

1. The nominal growth in gross domestic product (GDP) is inverted relative to the direction of nominal healthcare spending growth. For instance, the fall in GDP in 2020 is represented as a positive contribution 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 £280 billion in 2025. This mode of financing includes spending by the NHS, local authorities and other public bodies. Government spending on healthcare in 2025 was estimated to be 4.2% higher in real terms than in 2024.

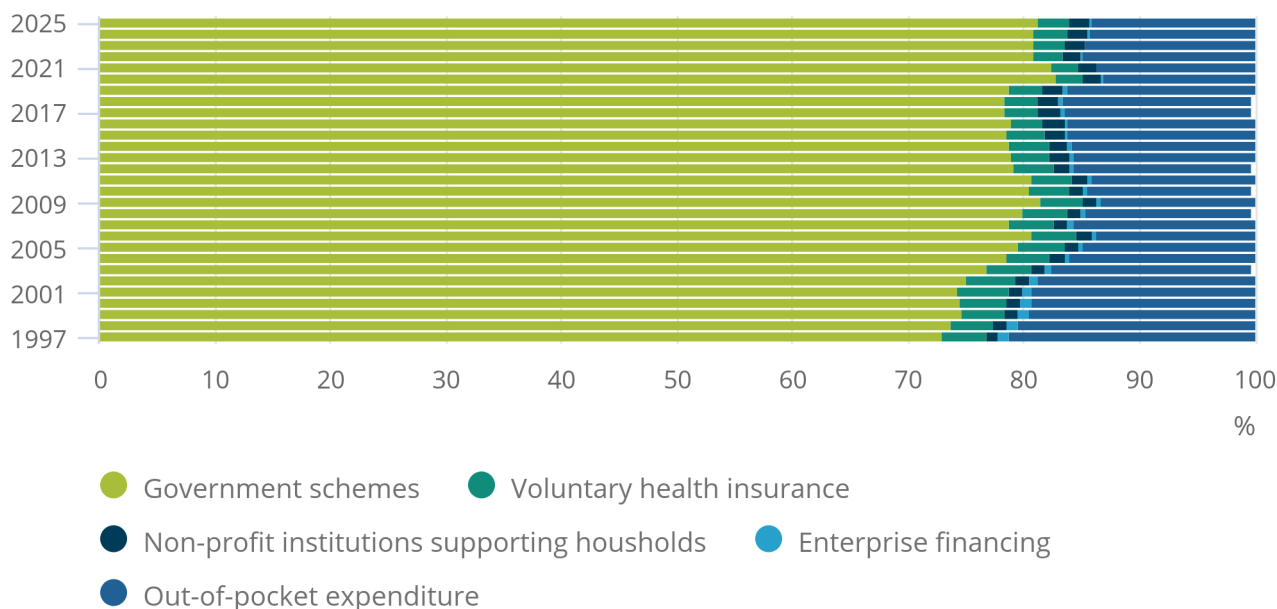
Figure 3 shows that government healthcare expenditure has been the largest means of healthcare financing throughout the time series. The share of spending attributed to government has increased from 73.1% in 1997 to 81.3% in 2025. Government spending represented a higher share of healthcare expenditure in 2025 than in 2019, before the coronavirus pandemic, when it stood at 78.9% of total healthcare expenditure.

Figure 3: The share of government spending in overall healthcare expenditure has increased since the start of the series, in 1997

Share of total current healthcare expenditure by financing scheme, percent, UK, 1997 to 2025

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Share of total current healthcare expenditure by financing scheme, percent, UK, 1997 to 2025



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 the UK is 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.

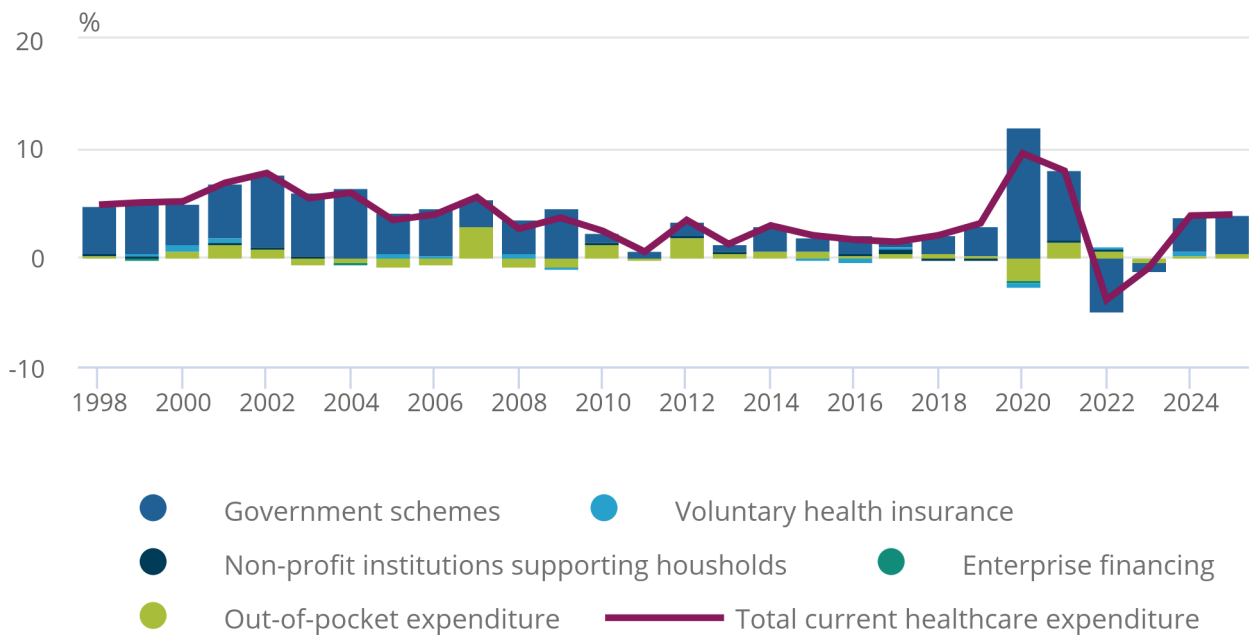
Out-of-pocket expenditure accounted for 14.1% of overall healthcare spending, or £49 billion, in 2025. Voluntary health insurance, the next largest means of financing, was 2.8% of overall spending on healthcare in 2025, or £9.5 billion. The smallest financing schemes were non-profit institutions serving households (NPISH), which represent where charities finance healthcare, and enterprise financing schemes (or employer-provided healthcare). These accounted for 1.8% and 0.1% of total healthcare expenditure, respectively.

Figure 4: The biggest contributor to the increase in total healthcare expenditure in 2025 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 2025

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Annual growth rates in health expenditure and the contributions to growth for each financing scheme in real terms, percent, UK, 1998 to 2025



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 2025 are provisional estimates based on more timely but less comprehensive data sources than preceding years.

Figure 4 shows that growth in overall healthcare expenditure tends to be caused by government spending. In 2025, government expenditure was estimated to be 4.2% higher in real terms than in 2024.

3 . Healthcare expenditure in 2024

This and subsequent sections of this bulletin present more detailed analysis of healthcare expenditure. Figures up to 2024 are produced from more comprehensive but less timely data sources than our provisional high-level 2025 estimates, discussed in [Section 2: Provisional estimates of healthcare expenditure in 2025](#). Expenditure estimates are presented in real terms (2025 prices).

Government healthcare expenditure

Government healthcare expenditure was £269 billion in 2024 (2025 prices), reflecting a 3.8% growth in real terms compared with 2023 (7.9% increase in nominal terms). Total government spending in 2024 was 19.7% higher in real terms than before the coronavirus (COVID-19) pandemic, in 2019. Increases in government spending in this period reflect increases in health budgets, in part to tackle pressures on health services including [funding to reduce NHS waiting times](#).

Healthcare represents a sizeable share of overall government spending on goods and services, as per the measure of general government final consumption expenditure within the UK National Accounts. Healthcare, as reported under the UK Health Accounts definitions, which includes elements of social care, represented 42.9% of government spending on goods and services in 2024, an increase from 31.7% in 1997, at the start of the series.

Several data sources used to produce our analysis of government healthcare expenditure were not available for the financial year ending 2025. As a result, our government healthcare expenditure estimates by healthcare function and provider should be treated as provisional for 2024 and may be subject to a greater degree of revision than usual in our next release. This does not affect the figure for total government healthcare expenditure, which is based on annual national accounts data and is not provisional. More information on our methods for producing these estimates are available in [Section 9: Data sources and quality](#) and in our [UK Health Accounts QMI](#).

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.

Non-government healthcare expenditure grew by an average of 3.0% between 2023 and 2025, lower than the average annual rate of growth in government expenditure over the same period. Total non-government healthcare expenditure increased by 3.7% in 2024 in real terms, reaching £63.1 billion in 2025 prices.

Growth since the pandemic has been strongest for voluntary health insurance schemes, which grew by 13.8% in real terms in 2024. Voluntary health insurance spending outpaced out-of-pocket expenditure over this period, caused by growth in corporate funded policies and [rising demand for private healthcare and structural pressures in the NHS](#).

Out-of-pocket expenditure is the largest non-government financing scheme in the UK and 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 2024, out-of-pocket spending grew in real terms by 1.7%, with long-term care expenditure being the main cause of growth. Long-term care expenditure, which includes privately purchased care and contributions to local authority arrangements, increased by 5.6% in real terms in 2024. Long-term care spending now accounts for over 41% of total out-of-pocket healthcare expenditure, a share that has been rising since the series began in 2013.

4 . Long-term care expenditure

Total long-term care expenditure stood at £80.3 billion in 2024 (in 2025 prices). [Long-term care](#) concerns the management of chronic health conditions (including old age conditions). It combines services considered to be a form of healthcare and services considered to be health-related in nature.

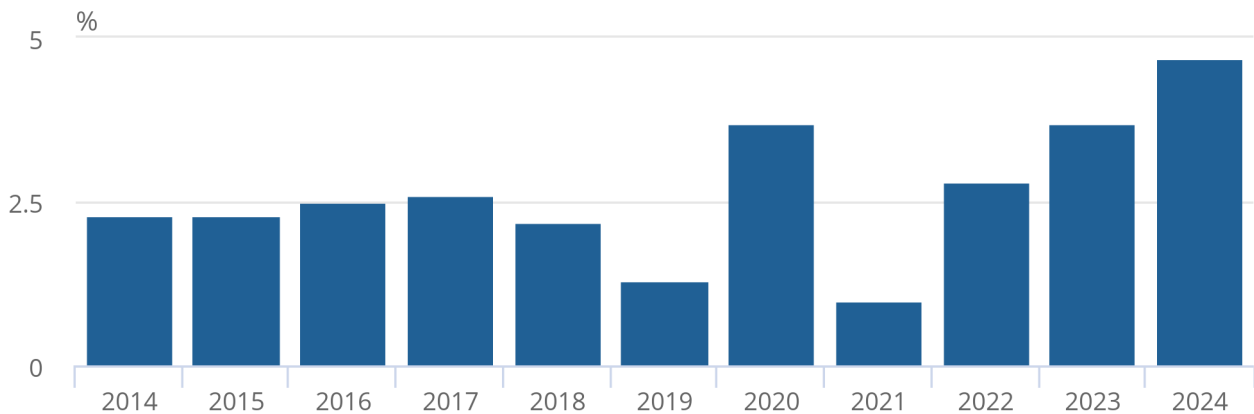
Figure 5 shows that long-term care expenditure grew faster in 2024 than any other year in our time series. In 2024, total long-term care spending grew by 4.7% in real terms, outpacing growth in total healthcare expenditure (3.8%).

Figure 5: Total long-term care spending grew faster in 2024 than in any other year in our time series

Annual growth rates in total long-term care in real terms, percent, UK, 2014 to 2024

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Annual growth rates in total long-term care in real terms, percent, UK, 2014 to 2024



Source: UK Health Accounts from the Office for National Statistics

Notes:

1. Real terms figures are presented in 2025 prices, adjusted for inflation using the gross domestic product (GDP) deflator.

Government spending made up 67.7% of total long-term care expenditure in 2024 and grew by 4.2% in real terms compared with 2023. Out-of-pocket expenditure, the second largest financing scheme for total long-term care, increased by 5.9% in real terms compared with 2023.

5 . Total pharmaceutical expenditure

Total pharmaceutical expenditure was £35.7 billion in 2024 (2025 prices), with:

- 54.0% relating to spending on community-prescribed medicines
- 21.3% on over-the-counter medicines
- 7.0% relating to immunisation programmes
- 17.8% 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 [2024 voluntary scheme for branded medicines pricing, access and growth](#).

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 £38.4 billion.

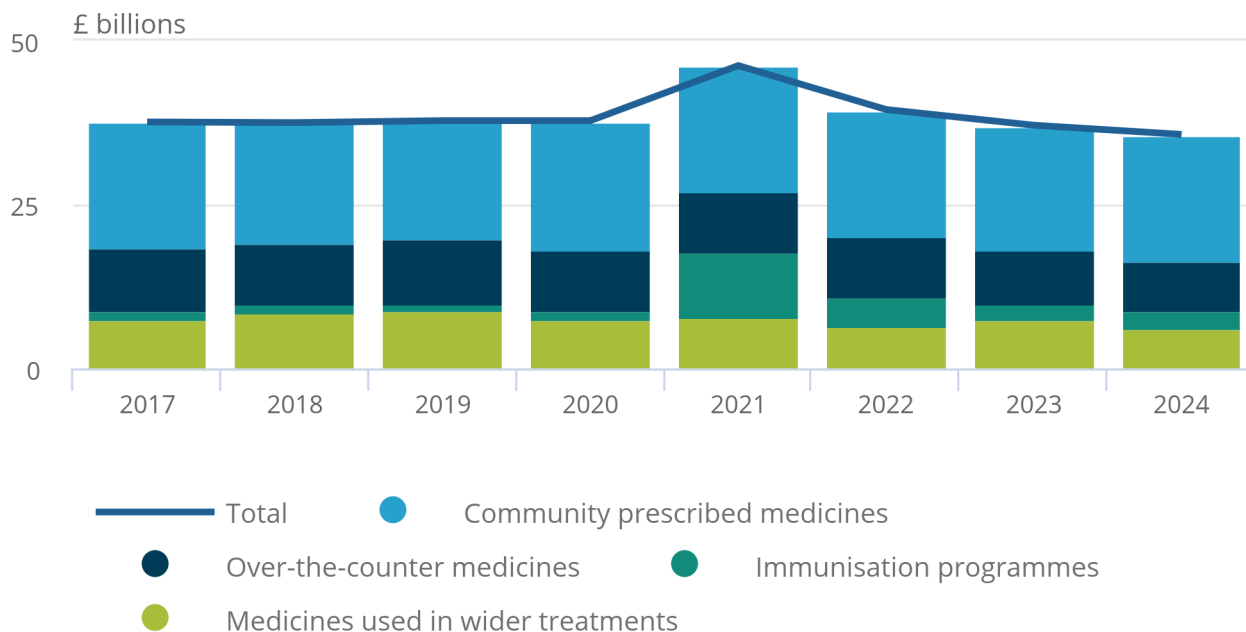
An overall fall of 3.9% in total pharmaceutical expenditure in real terms was caused by reductions in both government and nongovernment spending. A fall in spending on over-the-counter medicines and drugs used as part of wider treatments (such as elective care) contributed to lower pharmaceutical spending in 2024.

Figure 6: Total pharmaceutical expenditure fell by 3.9% in 2024 because of reduced spending on over-the-counter medicines and drug treatments

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

Figure 6: Total pharmaceutical expenditure fell by 3.9% in 2024 because of reduced spending on over-the-counter medicines and drug treatments

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



Source: UK Health Accounts from the Office for National Statistics

Notes:

1. Real terms figures are presented in 2025 prices, adjusted for inflation using the gross domestic product (GDP) deflator.
2. Immunisation programmes includes coronavirus (COVID-19) testing, tracing, vaccination, and pandemic management, from 2020 onwards.

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 article](#). 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 2024, the net capital outlay on healthcare in the UK was £16.8 billion (in 2025 prices), including £2.3 billion related to research and development (R&D), which is typically excluded from [international comparisons](#).

Between 1997 and 2024, capital expenditure on healthcare grew by an average of 3.1% per year, slower than the average rate for current healthcare expenditure of 3.5% over the same period.

7 . Revisions

In this release, we revise our [provisional healthcare expenditure estimates for 2024](#) upwards by £2.9 billion overall (an upward revision of 0.9%). The largest revisions were made to government schemes and non-profit institutions serving households, as detailed in Table 1.

Table 1: Revised estimates of current healthcare expenditure in 2024 (£ billions, nominal terms)

	All financing schemes	Government schemes	Voluntary health insurance	Non-profit institutions serving households	Enterprise financing	Out-of-pocket expenditure
Provisional estimate	317.4	258.1	8.3	4.3	0.5	46.2
Revised estimate	320.3	259.5	9.2	5.7	0.4	45.6

Source: UK Health Accounts from the Office for National Statistics

Data source changes and improvements have resulted in revisions of no more than 1.4% of total current healthcare expenditure, either upwards or downwards, for healthcare expenditure between 1997 and 2023. The largest revisions come from revised national accounts data, especially:

- revisions to central government final consumption expenditure in 2023
- newly available source data for non-profit institutions serving households

This year's capital outlay revisions mainly reflect a full redevelopment of the Gross Fixed Capital Formation (GFCF) system, alongside improved use of government data and updated business survey benchmarks. More information is available in our [Business investment in the UK revisions in Blue Book: 2025 article](#).

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

8 . Data on UK Health Accounts

[UK Health Accounts](#)

Dataset | Released 29 April 2026

UK current healthcare expenditure data by financing scheme, function and provider. Additional analyses of long-term care expenditure, total pharmaceutical expenditure and capital healthcare expenditure.

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 2025 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 2025. 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 our [National Accounts revision policy](#).

Data limitations

Some elements of government healthcare expenditure by healthcare function and provider for 2024 are estimated for the devolved health administrations of Scotland, Wales, and Northern Ireland because of data availability. For this reason, our estimates of government healthcare expenditure by function and provider for 2024 should be treated as provisional and subject to revision in our next edition of the UK Health Accounts. This only applies to function and provider-level expenditure, as total government healthcare expenditure is produced from national accounts data. The non-government healthcare financing by healthcare function and provider is also not affected by this.

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.

[OECD health accounts](#)

Dataset | Updated as new data becomes available

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

[UK Health Accounts QMI](#)

Methodology | Last revised 29 April 2026

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, 2023](#)

Article | Released 30 March 2026

Updated measures of output, inputs and productivity for UK public services between 1997 and 2023, including service area breakdown, quality adjustment, and latest revisions.

11 . Cite this statistical bulletin

Office for National Statistics (ONS), released 29 April 2026, ONS website, statistical bulletin, [Healthcare expenditure, UK Health Accounts: 2024 and 2025](#)