

## OFNC

### Spending Review 2025 - Phase 2

#### Respondent details

##### In what capacity are you responding to this survey?

On behalf of an organisation

##### What kind of organisation?

Other

##### What your Spending Review representation covers

This information will help us direct your response to the appropriate department(s) for their consideration.

Department of Health and Social Care

HM Treasury

##### Please provide a summary of your representation and upload a file if you wish.

Please summarise your representation in no more than 250 words.

We support the government's commitment to focus on economic growth and its three big shifts for the NHS. With a modest investment we can help deliver these goals in our sector.

Primary eye care is a major investor in education and training, creating high skilled jobs in local communities. The sector creates more than 80,000 jobs and is forecast to be worth £4bn per year by 2026. This care is delivered across more than 7,200 opticians, helping drive vital footfall to struggling high streets. Millions of people benefit from this service each year – helping them through education, work and older life, reducing risks and improving quality of life.

This vital service is now being put at risk because the NHS in England is using monopsony power to pay less than it costs to deliver care. At the same time the NHS bias to an unsustainable hospital model of care is resulting in avoidable sight loss due to delays in care. With sight loss already costing the economy £36bn per year something urgently needs to change.

In our attached submission we call on HM Treasury to ring-fence £350m to drive much needed transformative change to eye care services in England, so that we can obtain parity with the rest of the UK. Doing so will help prevent avoidable sight loss, deliver the government's three big shifts for the NHS and help economic growth.

**Proposal: ring-fence at least £350m to invest in NHS primary eye care services in England. This additional investment of just 0.17% of planned day-to-day DHSC spending in 2025/26 will stabilise NHS primary eye care services in England and help start to deliver the government's plans for the NHS and its commitment to support jobs and economic growth.**

### **Primary eye care – underfunding is putting primary care and jobs at risk in England**

1. Primary eye care is a major investor in education and training, creating high skilled jobs in local communities. It creates more than 80,000 jobs and is forecast to be worth £4bn per year by 2026. This care is delivered across more than 7,200 optical practices, helping drive vital footfall to struggling high streets. Millions of people benefit from this service each year – helping them through education, work and older life, reducing risks and improving quality of life [1]. For example, conservative modelling shows that the NHS sight test delivers c.£4 benefit for each £1 invested [2].
2. The Scottish and Welsh Governments have undertaken research about the actual cost of delivering an NHS sight test and fund providers appropriately to deliver this care [3]. This has made primary eye care more sustainable in both countries, and empowered providers to increase investment in their workforce, practices and innovation.
3. In contrast, the NHS in England has disregarded economic evidence and used its monopsony power to require providers to deliver care at below costs. Providers in England are therefore paid £20.21 on average less per NHS sight test than in Scotland and Wales, resulting in a total funding gap of £263m per year [4]. Providers have been forced to plug this funding gap through the sale of vision correction, but the NHS can no longer depend on this hidden subsidy as more people purchase their vision correction online from non-NHS providers and inflation in recent years has changed the provider cost base while consumer spending is reducing, all making this model less sustainable. For example, we estimate primary eye care providers in England are now using 10% of revenue from the sale of vision correction to cover the funding shortfall in the NHS sight test [5].
4. The approach in England is putting jobs and primary eye care itself at risk and needs to be addressed.

### **Hospital eye care service is broken – care needs to shift to the community so more patients can access eye care from primary care opticians**

5. The NHS has known for more than a decade that the hospital eye service (ophthalmology) cannot meet the nation's eye health needs, with more than 20 people a month reported to suffer avoidable sight loss due to delays in hospital care [6-7].
6. Sight loss costs the economy £36bn each year, including £3.4 billion in additional health system costs, £6.2 billion for reduced employment and productivity, £24.8 billion for reduced quality of life and £1.6 billion for the cost of aids and other economic impacts. The average cost of somebody living with sight loss is £16,800 per year, and delays in care are estimated to be costing an additional £50.4 million annually compared to pre-Covid [8]. In addition, clinical negligence claims due to harm caused by delays in hospital eye care are also rising, costing £19 million in 2022/23 alone [9].
7. The hospital eye care service is broken and cannot meet the nation's eye health needs safely or sustainably. To solve this, more eye care needs to be provided out of hospital and closer to home. This can be done without significant new capital investment from the NHS, provided core primary eye care in England is funded (as set out above) fairly. Conservative

economic modelling also shows that shifting care out of hospital delivers a net benefit [2]. It will also reduce cases of avoidable sight loss, therefore reduce NHS medical malpractice claims due to hospital delays and reduce the economic impact of avoidable sight loss on individuals, the NHS and care system and economy.

### **Deliver the government's three big shifts for the NHS and support economic growth**

8. The government has committed to transforming the NHS by delivering three big shifts - hospitals to community, analogue to digital and sickness to prevention. Empowering more people to access eye care out of hospital will help deliver these three big shifts. It will see more people cared for closer to home or at home, it will maximise use of digital connectivity so scans not patients travel to hospital and it will help prevent avoidable sight loss. It will also support good, high-quality and stable jobs in high streets across England.
9. Funding NHS primary eye care to meet this need in a sustainable way will also help create more highly skilled jobs in local communities across England, increase footfall to struggling high streets and contribute to much needed economic growth.

### **About us**

The Optometric Fees Negotiating Committee (OFNC) is the national negotiating body for eye care in England with the Westminster Parliament, the Department of Health and Social Care and NHS England. It comprises the leaders of the UK representative bodies: ABDO, AOP, FODO and BMA (for OMPs) and works in partnerships with the College of Optometrists and the General Optical Council.

We also work with partners across wider NHS primary care and will be also contributing to a joint submission to the spending review.

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### **Endnotes**

<sup>1</sup> Market forecast: Mintel, Optical Goods Retailing 2023. Location and workforce data: ONS, Analysis of enterprises & local units in the UK for UK SIC2007 subclass 47.789 (Retail sale by opticians) 2022. The ONS data also includes those employed in the sample (N= c 55,000), when including all jobs in practices (support teams/external contractors etc) and head office teams, related professional services and other direct supply chain jobs (e.g. labs) we estimate the total workforce to be 80,000. Activity data: Estimated 30 million appointments each year, sight tests, contact lens care, enhanced eye care and other.

<sup>2</sup> PA consulting, 2024, Key interventions to transform eye care and eye health <https://www.aop.org.uk/-/media/files/policy/key-interventions-to-transform-eye-care-and-eye-health-oct-2024.pdf?rev=e26b32d5b125496f8689192f5f0fe9e3&hash=19FEC950BA95DAE6475AA3A68DF2194>

<sup>3</sup> The Welsh Government recently undertook a cost analysis and found it costs providers £43 to deliver an NHS sight test, therefore it has increased funding to cover costs. The Scottish Government also funds the cost of a NHS sight test, currently paying £44.74

<sup>4</sup> OFNC data submitted to DHSC and NHS England has shown that an NHS sight test costs £43-£49 to deliver (2022 prices), £47.89-£54.58 (2024 prices). The NHS in England currently pays £23.53, a funding shortfall of £24.36-£31.05 (2024 prices). However, assuming the NHS in England paid providers the average NHS rate in Wales and Scotland for the same clinical care, the NHS sight test would cost £43.74. A funding gap of £20.21 per sight test, with 13 million NHS sight tests per year, a funding gap of £263m.

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<sup>5</sup> For baseline data we use Mintel, 2023, Optical Goods Retailing UK, Figure 2, page 11 and Figure 4 page 13. This indicates the UK optical market for goods and services is forecast to be £3.75bn by 2024-25, 82% of which was for vision correction. We then estimate that £3.1bn of total market size is related to vision correction. 84% of the UK population lives in England so we assume an even distribution of revenue making vision correction account for £2.6bn in England. Which would mean 10% of revenue is used to address an NHS funding gap.

<sup>6</sup> British Ophthalmological Surveillance Unit report commissioned by RCOphth,  
<https://www.rcophth.ac.uk/news-views/bosu-report-losing-sight-delays/>

<sup>7</sup> HSSIB Lack of timely monitoring of patients with glaucoma,  
<https://www.hssib.org.uk/patient-safety-investigations/lack-of-timely-monitoring-of-patients-with-glaucoma/safety-investigations/lack-of-timely-monitoring-of-patients-with-glaucoma/>

<sup>8</sup> Deloitte Access Economics, “The economic impact of coronavirus (Covid-19) on sight loss and blindness in the UK,” August 2021. [Online]. Available: <https://www.deloitte.com/content/dam/assets-zone1/au/en/docs/services/economics/deloitte-au-economics-specsavers-economic-impact-covid-140921.pdf>.

<sup>9</sup> FOI request 6423 – NHS Resolution response,  
[https://resolution.nhs.uk/wp-content/uploads/2024/04/FOI\\_6423\\_Ophthalmology.pdf](https://resolution.nhs.uk/wp-content/uploads/2024/04/FOI_6423_Ophthalmology.pdf)