The voice of NHS leadership

House of Lords Committee on the Long-term Sustainability of the NHS
Written evidence, September 2016

The NHS Confederation is the only body that brings together the full range of organisations that make up the modern NHS. Our membership of almost 500 organisations spans the whole health economy and we speak with authority for the NHS on the issues that matter to all those involved in healthcare.

It is increasingly apparent that more of the same is unsustainable, which is why we welcome the focus of this Committee. Unless we get serious about prevention, health needs will continue to grow putting more pressure on our universal health care system. Unless we develop a truly coordinated approach to care, public funding will need to continue to grow to fund demand with a diminishing rate of return. The NHS was founded on three core principles, which remain as its purpose today. These principles demand that care be available to all, free at the point of use and based on clinical need – in summary, it should be fair, free and forever. Our public discourse often includes debate on the first two principles, exploring issues such as equity and access. Yet, much less time is spent considering the last principle, which draws on sustainability.

We have a strong consensus across the system on the need to change health and care, which likely goes beyond the five-year timeframe covered in the Stevens Plan.[1] NHS leaders are agreed on the need to establish health services better able to meet the needs of people today and in the future. By now, the reasoning behind this case is well-known and will be familiar to members of the Committee. Nonetheless, it's worth reiterating that the intention is to develop a system geared to better treating long-term conditions, rather than responding to ailments in discrete episodes. This demands we remove gaps between primary and secondary care, as well as between health and social care. It also strengthens the basis for health prevention and wellbeing, so people remain healthier for longer with less need for medical care.

We recognise that politics matters in this and the connection between the NHS and the wider political environment cannot be ignored. The attention on the NHS is a demonstration of its importance as a public service, of which the NHS should be proud. History also matters and it shouldn't be forgotten that we inherit our health and care system from previous generations of reform and change. Now, as then, it is noticeable that the NHS does not have the luxury of being able to 'close for refurbishment' and there is little capacity to double run new and existing services side-by-side. Instead, a delicate act is needed to undertake service change while sustaining services inundated with a growing number of users. This has been described by our members as being akin to fixing an engine with the motor still running.

[1] NHS England - *Five year forward view*, October 2014

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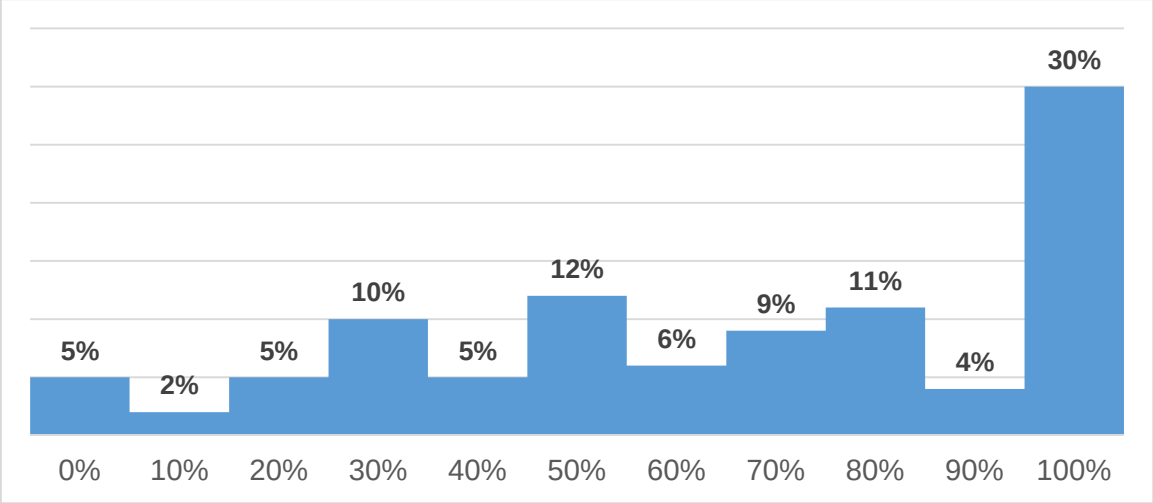
Health and social care funding

It is clear that there is currently a mismatch between current resources and expected need, which is a gap we expect to get bigger as time goes on without action. The combination of a bigger population, ageing demographics, growing long-term conditions and increasing pressures on prices and pay will make the health we need to deliver cost more by 2030. Estimates in the 5YFV, which are supported by the analysis of a wide range of experts, put this cost pressure at £30 billion by 2020 alone.[2] This funding gap is a significant threat to the sustainability of the NHS and must be a priority in this parliament. We can already see the impact it is having with providers reporting an unprecedented accumulated deficit of £2.85 billion across the sector in 2015/16.[3]

It is not logical to consider health and care as distinct public services and the line drawn between them is an artificial one created by separate structures and funding streams. The need for both the NHS and social care services in combination is obvious locally, yet the national discourse is fixed on managing these services individually. This reinforces inefficiencies and hinders the capacity to establish a more integrated and effective public service that delivers better value for taxpayer funding.

Percentage of the health and social care budget to be pooled (NHS leaders) [4]



Cuts to social care funding have a negative impact on the NHS. This is no longer a statement we make in theory because the last five years demonstrates the effect in reality. Over that period, adult social care spending has reduced by £4.6 billion, around a third of the total budget, and tighter thresholds mean 400,000 fewer people now have access to state-funded care.[5] These are people with social care needs and will be more likely to turn to other public services, such as the NHS, for support. They are also more likely to stay in hospital longer because of the increased risk of being at home without the support of social care services.

It is important for this Committee to consider whether governments in the future will learn from the lessons of the last five years, and no doubt from years before then as well. No longer can it be

[2] 5YFV, supported by Institute for Fiscal Studies – *IFS Green Budget*, March 2015 and Health Foundation - *NHS finances: the challenge all political parties need to face*, January 2015
[3] NHS Improvement - *Performance of the NHS provider sector year ended 31 March 2016*, May 2016
[4] NHS Confederation – *Member survey*, May 2016
[5] Association of Director of Adult Social Services (ADASS), *Budget Survey 2015*, June 2015

expected that reductions in social care spending will not impact on the NHS and that protecting one without the other is sufficient given the nature of current need.

There will likely also be lessons to learn over the course of this Parliament from the decision not to commit to a "radical upgrade in public health and prevention". It should be evident that an active approach to investing in public health is vital to ensure sustainability, if not to soften current estimates on future poor health. Our joint letter with royal colleges, local authorities and directors of public health demonstrates the extent of concern around the cuts to the public health grant and how they will impact on the NHS.[6] Our members have told us already of direct impacts these cuts will have to front-line services, including local cuts to treatments for substance misuse, smoking cessation and sexual health.

We would expect governments to recognise that cutting public health and treating people with social care needs through health services, which are often more expensive, is not a wise use of public funding. Choosing to make savings in both, rather than investments, would seem to us to be short-sighted and likely to store up issues for the NHS in the future – they may also conversely increase costs.

Our concern is that pressures on NHS budgets are currently being met with piecemeal solutions, based on a notion that annual productivity improvements will fill gaps in funding. Without a radical shift in this mind-set, the NHS will find it increasingly difficult to make budgets balance. This will be seen in a declining financial position of commissioners and providers, depending on the swing of sharing risk pursued during that period.

Better planning and transformation would provide a long-term perspective on funding, with a strong evidence base. Spending may be a political choice, but the way it is agreed links it too closely to political cycles. Fixed terms might work for politicians, but they do not benefit the strategic planning of health care at a local level nor does it provide the right environment to attract external investment. Our members tell us that, above and beyond additional investment, it is a longer term financial settlement and strategy for the NHS as a whole which would help them to deliver the change needed in local services.[7]

If political parties are serious about stopping the NHS being used as a political football then putting NHS funding on a more stable footing, backed up by evidence on the costs and the money available is a good place to start. It would give the NHS the certainty it needs to plan for health care over the next decade and give patients and the public clarity on how the NHS will be funded in the future. Polling we commissioned showed that only two-fifths of people think they have sufficient knowledge to contribute to a discussion on the future of the NHS and the information they want the most is on how the NHS is funded and what that money is being spent on.[8]

Health and social care delivery

We expect people to continue to live longer than ever. The number of older people living with long-term conditions and support needs is already placing increasing demands on health and social care. The number of people aged 85 and over with depression is expected to increase by 80 per cent between 2007 and 2026. A wide social care gap is predicted of more than a million people without

[6] NHS Confederation, "NHS Confederation calls for an end to public health cuts in the upcoming spending review", October 2015
[7] NHS Confederation – Member survey, February 2014
[8] NHS Confederation/YouGov – Public polling, October 2014

adult social care and without family to care for them by 2030.[9] In many places, social care delivery has already reached crisis point and one million people are described as having unmet care needs[10].

The NHS Confederation and the Local Government Association (LGA) have stated that the case for service change is that no change is not an option. [11]The current health and care system is unsustainable and sub-optimal – it is also widely acknowledged that poorly joined-up care risks distress and harm and is hugely frustrating for patients and carers. Together with the LGA and NHS Clinical Commissioners, we developed and agreed a vision of what a fully integrated health and wellbeing system will look like in the future, for individuals, communities, health and wellbeing systems and for government and national bodies.[12]

Local leaders of the health and care system are committed to escalating the scale and pace of integration but there are various shared barriers and the task could be made easier if the Government could make a commitment to address the following issues:

- Demonstrating political leadership in encouraging discussions at all levels about the future of health and care services to focus on getting the best outcomes for people
- Aligning financial incentives to remove barriers to new, more integrated models of care, focused on prevention and early intervention and more often delivered at, or close to, home
- Enabling shared accountability with simpler, unified framework with fewer measures for the whole system to help ensure each part of the system works together to achieve shared goals
- Enabling improvements in information sharing and removing the lack of clarity on the legal framework for data sharing
- Establishing a national sector-led programme to support health and social care organisations to adopt participation and self-management approaches for all who would benefit
- Supporting health and wellbeing boards to become the focus for joined-up commissioning of primary, secondary and social care
- Ensuring new models of integrated care are properly supported through providing the funds to ease transition and allowing the time and stability required
- Developing the future workforce and the staff we already have to work within the emerging integrated models of care

We strongly recognise the importance of getting the long term planning and transformation of health and care services right now, in order to sustain the NHS for the next 15 year. Many of our members are working hard on local plans to achieve this. Sustainability and Transformation Plans (STPs) are place based, multi-year plans that are intended to be built around the needs of local areas and their populations, rather than the activities of individual organisations.

We are supportive of the founding principles of STPs – to bring together local partners to work collaboratively to improve the efficiency and effectiveness of health and care services for local communities. It is important to allow local areas the time they need to invest in the governance, local

[9] IPPR, The Generation Strain Report, 2014
[10] National Voices - *Person-centred care 2020*, September 2014
[11] NHS Confederation and Local Government Association - *All Together Now: making integration happen*, July 2014
[12] NHS Confederation, Local Government Association and NHS Clinical Commissioners - *Stepping up to the Place*, June 2016

relationship building and local engagement which will underpin successful plans. The timeframes to which STP areas are working, and the overall level of expectation placed on them is high. While STPs offer real potential to offer a vehicle for difficult conversations about how health and care services are delivered locally, it seems unlikely they can deliver a solution to the financial challenges facing health and care, or close the quality gap in the short term.

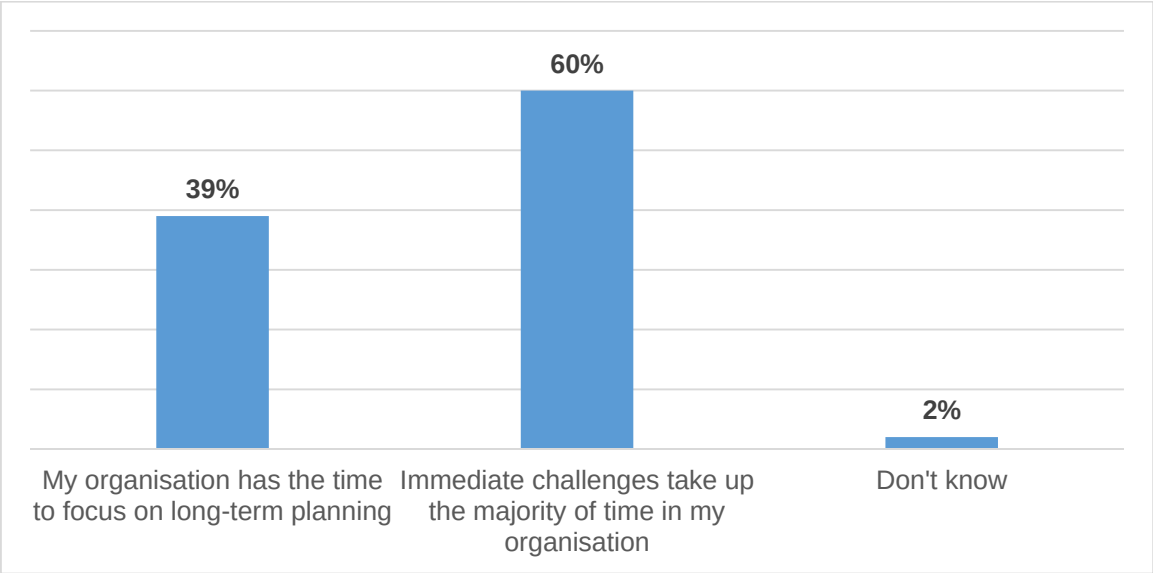
We encourage an approach that recognises the day-to-day challenges faced by extremely hard-working front line professionals who are under increasing pressure. Local partners are mindful that a failure to recognise these issues could have potentially destabilising effects on a fragile provider and labour market in some parts of the system.

Workforce demand and supply

Planning the workforce for the long-term has always been a difficult challenge and there are historical cycles of 'boom and bust' for particular professional groups. Health Education England and the Centre for Workforce Intelligence have undertaken work in recent years to look at what will is required from our workforce in the medium to longer term.[13] Each of these documents sets out the changing population demand and the potential impacts on our workforce and supply.

Locally, whilst the need to be planning for 2030 is known and understood, many employers are focused on securing the right workforce to deliver safe and quality care in the immediate term. The reality of meeting immediate demands in the sector means that many organisations are required to focus on today and delivering what is needed within the current financial year. We don't believe there is a need to undertake further horizon scanning work in this area at this current time – any available resource needs to be allocated to supporting the system with equipping itself and its people to be able to deliver new models of care and support reshaping the workforce to meet the changing needs of local communities. Delivering workforce change is very rarely immediate and so it's essential that there is a focus on supporting additional work now to embed evidence based practice, at scale, to deliver sustainable change in the next decade.

NHS organisation's capacity for long-term planning (NHS leaders) [14]



[13] Health Education England - *Strategic framework*, February 2013
[14] NHS Confederation – *Member survey*, May 2016

To help employers and the wider system with this task, NHS Employers commissioned the Nuffield Trust to explore the evidence to support reshaping the workforce to meet the changing needs of patients. This report found that equipping the existing non-medical workforce, such as NHS nursing, community and support staff, with additional skills is the best way to develop the capacity of the health service workforce. It also offered practical guidance on implementation to those wishing to reshape their workforce, and identify opportunities to 'grow' the workforce.

It is also worth the Committee being aware of developments current taking place in the system within the workforce area. The sector is about to embark on a new approach to the undergraduate and some postgraduate training of healthcare professions with the national commissioning of training places for healthcare professionals ceasing in 2016-17.The apprenticeship levy is being introduced and there is a requirement to increase apprenticeships and developing other roles to support registered practitioners. These policy changes will all play a part in the future shape of the workforce. This work is starting now however we need to recognise that changes at scale will take time materialise.

There are significant efforts underway locally to maximise the development and employment opportunities the health and social sector have to offer to the resident population. Whilst this is the primary focus for employers, it is important to ensure that as part of assessing sustainability in the sector we need to acknowledge and value the contribution of professionals from outside of the UK – whether from within the EU or further overseas – and ensure we have a migration system which supports our sector to remain world – leading, and in the short to medium term, enables employers to be able to secure the right numbers and quality of skilled healthcare professionals, whilst domestic policy is implemented and can take effect.

Furthermore, it is important to consider the implications of the recent referendum on the UK's membership of the European Union. A total of 57,604 NHS staff in England are from other EU countries, which represents 5 per cent of our overall workforce. In London, there are 19,000 staff from other EU countries, which is 10 per cent of their NHS workforce. Nursing is also reliant on EU staff, totalling 21,000 across England and is an area in which there already is a shortage. Furthermore, at least six per cent of the social care workforce in England is from other EU countries.[15]

[15] NHS Employers - *Brexit and the NHS workforce*, September 2016