

May 2017

Securing a sustainable health and care system: Priorities for the next government

The 2017 general election will be dominated by the implications of the UK's historic decision to leave the EU. The nation also faces a once-in-a-generation decision that will shape the fate of millions of UK citizens. How will it fund a health and care system under unprecedented demand? What support is needed to transform services which, on current trends, will fail to care for an increasingly elderly population?

The number of people aged over 85 will more than double in the next 20 years, to over 3.4 million. If nothing is done about age-related disease, there will be more than 6.25 million older people with a long-term illness or disability by 2030 – nearly 9 per cent of the total population, according to Age UK.¹ This election is an opportunity to trigger a frank public debate on the future of our health and care system, which includes addressing the pressing issue of funding services adequately over the next few years.

Money alone is not sufficient to deal with the longer-term challenge of making the NHS sustainable in the future. This will require the new government to support the health service to create the right conditions to cope with future challenges, such as a workforce crisis. Recent performance and the maintenance of satisfaction levels has been delivered through the goodwill of staff and this is no longer sustainable.

Voters care about the NHS and its future for themselves and their families. Those aspiring to govern should offer them firm and unambiguous commitments, honesty about what these will cost and clear evidence on how this will provide good levels of care and support for the population in the years ahead.

This document outlines asks presented by the NHS Confederation, which is the authentic voice of NHS leadership. Many relate to the health service in England, which is run by the UK government chosen from this election. Nonetheless, those that cover funding ambitions and trends have direct relevance to the devolved administrations, which have responsibility for the NHS and care systems in the other parts of the UK.

- 1 Commit to an NHS funding target
- 2 Establish an OBR for Health
- 3 Create a £2 billion-a-year transformation fund
- 4 Publish a white paper on social care reform
- 5 Implement the cap on social care costs
- 6 Deliver and extend the commitment to mental health
- 7 Establish a Department of Health and Care
- 8 Protect EU NHS staff
- 9 Protect the UK's status in health research and innovation
- 10 Create an NHS Homes Fund

1. Commit to an NHS funding target

Health and care needs are increasing – the number of people over 65 will rise by 49 per cent in next 20 years – at a time when the UK economy is expected to grow. This should enable our country to share the proceeds of prosperity to create an adequately funded health and care system, linked to the performance of the economy.

The next government needs to commit to a minimum funding level for health and care that is linked to Gross Domestic Product (GDP). As the economy grows, so should health and care spending. This would establish more certainty around future investment and greater clarity on the collective view of the resources needed to deliver safe and effective services.

2. Establish an Office for Budget Responsibility for Health

Health and care funding must also be underpinned by a stronger evidence base. Public spending is a political decision and the next government should agree a financial settlement linked to credible data on changes in demand and costs.

An agency to provide authoritative analysis would produce forecasts specifically on NHS spending and assess performance against productivity targets. This would mean greater objectivity and transparency when it comes to decisions about NHS funding and be a means of providing the evidence to support an informed public debate.

3. Create a £2 billion-a-year transformation fund

There is an urgent need to change the way services are run. They are currently unsustainable, and a difficult situation is set to worsen. Above all, our society needs to develop services that support people to manage their long-term conditions much more effectively in the community. Plans have been drawn up by local leaders, but the resources to deliver them are not guaranteed.

Funding for transformation has been promised in the last two years, yet much of this has ultimately been spent on filling budget gaps. Real transformation needs a dedicated one-off fund of £2 billion a year for each of the next two years. This money should be ring-fenced from business-as-usual and act as a down payment to accelerate transformation and invest in the future.

¹ Age UK (April 2017), *Later life in the United Kingdom*

4. Publish a white paper on social care reform

The current government promised to produce a long-term solution to the funding and provision of social care. This is not the first time such a promise has been made by political leaders, but the next parliament must make sure the next government delivers.

Action must be immediate and politicians can use the election as an opportunity to have a wide-ranging public debate on the future of social care. All options should be considered, however politically unpalatable. Following this, the next government would be in a position to publish a white paper on the reforms needed by the end of the year.

5. Implement the cap on social care costs

At the last election, the main political parties committed to imposing a cap in England on the social care costs an individual should face. However, although the mechanism for introducing such a cap is in legislation, this has repeatedly been delayed.

A commitment is needed to implement and fund the cap to provide reassurance to those who rely on social care and to make sure no one has to pay extortionate care costs at the end of their life. This cap should be set at the appropriate level to provide meaningful protection for people incurring social care costs.

6. Deliver and extend the commitment to mental health

The time for empty promises on mental health is over. Successive governments have failed to deliver – the NHS accepts the need to upgrade its focus on mental health, but resources are needed to invest in the implementation of the Five Year Forward View for Mental Health.

The next government should reaffirm the commitment to funding pledges on mental health, which run until 2020/21. It should also extend this commitment to include further resources to be delivered for mental health up to the end of the new parliament.

7. Establish a Department of Health and Care

The interdependencies between health and social care are evident and all parties are committed to greater integration between the two. The current fragmented national leadership on health and care increasingly belies the reality of how people use these services.

The next government should demonstrate its commitment to integration by bringing together funding and oversight under one department, with clear accountable leadership and a unified vision for their future.

8. Protect EU NHS staff

EU nationals make an important contribution to the delivery of health and care services, and their status after the UK leaves the EU is still uncertain. The new government needs to guarantee the rights of EU nationals as soon as possible and reinforce the importance of being able to recruit suitably qualified health and care staff as part of any arrangements on immigration in the future.

Without this reassurance, staff will continue to suffer from uncertainty and this will make retention and recruitment more difficult during an already fragile period. A clear public commitment from the next government is needed, along with a firm agreement with the European Union early in the negotiations.

9. Protect the UK's status in health research and innovation

The UK is a world leader in medical research and home to many centres of excellence developing innovations to improve patient care. Supporting this work will be vital in preserving the UK's place as a research pioneer, and that includes making sure the country is part of international networks sharing and supporting cutting-edge research.

Leaving the EU should not mean turning away from collaborations to improve patient care, and the next government must press for the UK's continued inclusion in shared initiatives that will benefit patients in Europe and around the world. This means ensuring continued participation in European research and innovation networks and guaranteeing resources to fund research previously supported by EU funds.

10. Create an NHS Homes Fund

The NHS occupies large amounts of land that could be released to support the development of more homes. However, there are no incentives to support the use of these estates and no guarantees that released land will benefit local health services. Housing is desperately needed, as is access to supported housing, to improve how people manage long-term conditions.

The next government should create an NHS Homes Fund to support the NHS in releasing land to build new homes for essential staff, or to improve access to assisted-living accommodation. Such a fund would maximise opportunities for NHS trusts to turn capital into revenue, or to explore private partnerships to expand housing provision.

Further information

Please visit www.nhsconfed.org/election and follow us on **Twitter @nhsconfed**

To discuss any of the issues raised in this document, please contact Paul Healy, head of analysis, at paul.healy@nhsconfed.org