

The NHS is at the forefront of world class care, leading research and innovation, and generating jobs and economic growth across the country. NHS foundation trusts and trusts account for £65 billion of the £110 billion spent by the NHS. They employ more than 1.1 million of its 1.2 million staff. They interact with more than 5 million patients and service users a week. They are, in short, the backbone of the NHS, providing the vast majority of its care. The success of the NHS is significantly defined by the success of the provider sector.

NHS Providers is the membership organisation and trade association for NHS acute, ambulance, community and mental health services that treat patients and service users in the NHS. This briefing outlines what the NHS needs from politicians to succeed in the next parliament.

The current state of the NHS provider sector

Continuing the success of the NHS means investing in its services as well as reshaping them to meet 21st century needs. If we do not, the impact will be felt most keenly by patients, service users and staff on the frontline in terms of increased distress, worsening conditions and a tired and demoralised workforce. Providers will also struggle to deliver ongoing service improvement. There are clear signs that we need to renew our approach to supporting and investing in the NHS:

- **Trusts are facing large increases in demand for their services** as a result of demographic factors, pressures on primary and social care, and rising public expectations. At the same time, patients have greater and more complex needs.
- **The NHS is seven years into the longest and deepest financial squeeze in its history.** A record two thirds of trusts were in deficit at the end of 2015/16 with deficits spreading beyond hospitals into mental health, community and ambulance trusts.
- **Trusts are running at capacity levels well beyond the recommended and accepted levels** seen in other advanced western countries. Safety and quality of care are becoming compromised, with winter pressures lasting throughout the year, bringing with them deteriorating performance against the four-hour A&E target, increasing trolley waits, more cancelled urgent operations, growing waiting lists and worse than ever levels of delayed discharges.
- **Providers are struggling to meet a series of workforce challenges**, particularly around recruitment and retention caused by staff shortages, rising pressure on staff, a prolonged period of pay restraint, and the early impact of Brexit.
- **The repercussions of lack of capacity in primary and social care** are being felt by hospital, ambulance, community and mental health trusts as patients and service users are transferred between the sectors.
- **At a time of high operational pressure, the NHS is also being asked to undertake complex transformation projects** and deliver new and innovative models of care at a much faster rate than the international evidence suggests is possible.

What NHS foundation trusts and trusts need from politicians over the next parliament

The NHS in England is striving to serve the rapidly growing healthcare needs of today and tomorrow on a constrained budget. The next five years are critical. The future of NHS care depends on politicians agreeing to invest in the NHS's continuing success through:

- 1 **A realistic approach to funding and performance**
- 2 **Support for the million-strong NHS workforce**
- 3 **A fair footing for mental health care**
- 4 **Investment in a sustainable social care system**
- 5 **A commitment to locally-led, nationally supported, health and social care integration**
- 6 **Serving future generations by taking a long-term view of demand**
- 7 **Investing in the NHS as an investment in the UK**

1 A REALISTIC APPROACH TO FUNDING AND PERFORMANCE



The challenge: Demand for NHS secondary care is expected to grow by 3% in the coming year. The costs of delivering that care – including pay, drugs and equipment – are forecast to rise by 2%. Yet trusts will receive only half the funding required to cover those increases. Trusts are also being asked to meet new national commitments on mental health and cancer within their current budgets. Trusts have made significant efficiency gains, saving £2.9bn in 2015/16 alone, but even the best case scenario of their saving 2% a year would not cover the shortfall. Over the last seven years demand and costs have outstripped funding, with clear consequences for patients and their families. People are waiting longer to be seen, and even urgent surgery is having to be cancelled. The vast majority of NHS foundation trusts and trusts are in deficit and performance targets are routinely being missed, which means that people already in poor health, pain and distress are having to wait longer to receive help.

The response: NHS foundation trusts and trusts must be funded at a level that enables them to deliver the standards expected by patients and enshrined in law by the NHS Constitution. The government, NHS national leadership and trust leaders need to work together to maximise the value that patients get out of the NHS budget, as well as recognising that there is a limit to the efficiencies that can be made and the strategic investment that can be foregone. In the absence of sufficient funding to match NHS commitments, the government must prioritise more effectively and make a clear decision about what can be realistically achieved by the NHS within the funding available. We also need to ensure that more of the NHS £ is spent on patient care and less on central administration and commissioning costs.

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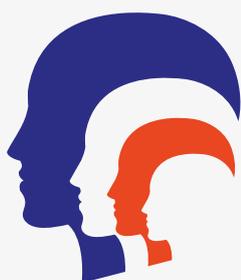
2 SUPPORT FOR THE MILLION-STRONG NHS WORKFORCE



The challenge: Trust leaders are now saying that finding the right staff with the right skills is their biggest challenge. With patient demand rising and their needs becoming more complex, there is a growing gap between the demand for and supply of suitably trained staff. This is exacerbated by staff leaving the service, with higher turnover rates driven by ongoing pay restraint and stressful working conditions. At the same time, there are not enough newly trained staff to at least replace those who are retiring, and the current approach to workforce planning is breaking down, with no replacement in sight.

The response: The pressures on the NHS workforce are unsustainable. To deliver safe care, trusts must be able to recruit enough people and pay them appropriately. Levels of staff engagement are a strong predictor of the quality of care found during CQC inspections – staff who are happy and motivated provide better care and cope better under pressure. Neglecting staff means neglecting patients. The government and NHS national bodies need to agree and fund a robust and effective long-term approach to workforce planning. When and how to end pay restraint must be a priority. A substantial proportion of the NHS workforce is made up of EU nationals – there needs to be certainty around their future in the UK and what Brexit means for recruiting staff from the EU and internationally. There must be practical recognition of the skill and professionalism of NHS staff as they dedicate themselves to ensuring safe, high-quality care.

3 A FAIR FOOTING FOR MENTAL HEALTH CARE



The challenge: Demand for mental health services is growing even faster than demand for acute services. Bed occupancy rates are regularly exceeding 100%, referrals for child and adolescent mental health have increased by 44% in the last three years, and there has been a significant growth in the number of children attending A&E for psychiatric support. Cuts to social care are significantly adding to pressures, with care that would otherwise have been provided through local authority routes or in the community moving into mental health services. Funding has not kept up with demand, commissioning of care is disjointed, and there are severe shortages in appropriately qualified staff. Together, this means that service users' conditions are deteriorating further before receiving treatment and taking longer to recover. As a result, their care is more expensive and their experience worse.

The response: Early intervention is vital to the health of those with mental health conditions and the effective use of NHS resources. Early intervention is also important to the wider economy as it enables people to return to work and means they suffer less physical ill health. Providers' ability to help those in need at the right time rests on sufficient investment across health and social care, a joined-up approach to commissioning, and local integration of mental and physical healthcare. The social and economic consequences of not addressing mental ill health when it first appears, which in most cases is during adolescence, are profound. There must be a whole-system approach to children's mental and physical wellbeing.

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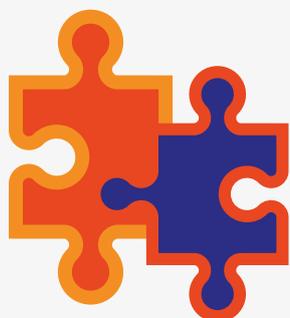
4 INVESTMENT IN A SUSTAINABLE SOCIAL CARE SYSTEM



The challenge: Over the last six years, reductions in adult social care funding have led to 400,000 fewer people now receiving the publicly funded social care they need. This has also added to the pressures facing frontline NHS services, especially in A&E departments, ambulance services, crisis mental health care and community services. These reductions have also caused unnecessary delays in discharging patients from acute and mental health inpatient beds when they are ready to leave.

The response: Although the government has recently added extra short-term funding, social care has reached a tipping point, with primary care not far behind. Both need rapid extra support to prevent people being inappropriately referred to the secondary care sector. Successive governments have failed to address the long-term social care challenge. This nettle must be grasped before the situation becomes irrecoverable.

5 A COMMITMENT TO LOCALLY-LED, NATIONALLY SUPPORTED, HEALTH AND SOCIAL CARE INTEGRATION



The challenge: Around every patient there is a mosaic of health and care services, and it is clear that there are inextricable links between social care and healthcare. No single service, trust or sector can tackle these challenges on their own, particularly within the existing NHS model. A new care model based on integration and collaboration between providers is required, but there are significant local, national and regulatory barriers to progressing integration. There is little robust and consistent evidence that integration realises financial savings, and the funding pressures across health and social care are reducing the capacity to strengthen community-based services, prevention and joined-up working.

The response: Transformation at the scale required to meet the financial, quality, demand and workforce challenges in the NHS is a complex undertaking. The government and NHS national leadership need to be realistic about how much can be achieved given the pressure on trust leaders, the current absence of money to invest in transformation and the time it will take to change for the long term. We also need governance and accountability structures that look beyond institutions and focus on local systems. There is a strong case for building on the Barker Commission – which clearly set out the long-term programme of work needed for effective integration of health and care – and reviewing whether the settlement for the sector remains fit for purpose.

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6 SERVING FUTURE GENERATIONS BY TAKING A LONG-TERM VIEW OF DEMAND



The challenge: Short-term decisions are being made without a clear picture of what future demand looks like. For example, life expectancy has increased, but the duration of good health has not – how should health and care services respond to this? What investment is needed over the coming years, whether in seeking to extend that period of good health, or in managing an increasing population of older people in declining health? Policy, planning and resources for the NHS are

confined to the term of their given parliament. This encourages a focus on short-term operational requirements and can inhibit the NHS's ability to pre-empt and adapt to changing population needs. If we continue with this approach which ultimately divorces services from need, and undermines financial sustainability, the long-term future of the health service on a universal, free at the point of need basis is at risk.

The response: The NHS needs objective government-led evidence gathering to identify the detailed demographic trends we face, how demand for health and care services is likely to develop from 2020 to 2040, and what we need to do to meet this demand.

7 INVESTING IN THE NHS AS AN INVESTMENT IN THE UK



The challenge: In a period of national austerity, with a budget of £110bn in England, we need to think about the value of the NHS, not just the cost. Focusing solely on cost drives a range of false economies. For example, a lack of resources diminishes capacity and raises the threshold to access, so that patients and service users deteriorate before they receive care. In turn, their care becomes more intensive, expensive, and protracted. There are long-term knock-on effects throughout the sector, and for the ability of patients and service users to return to their normal lives. Without sufficient investment, innovation is stymied and re-focused on short-term goals, and services and infrastructure become run down, so requiring more investment than would have been needed to just maintain them.

The response: The wealth of the UK and the NHS are intertwined. The NHS is a key driver of local investment, skills and employment, social inclusion, and research and innovation. As well as helping people to remain active participants in society and the economy, NHS trusts are often the largest employers in their communities, and provide celebrated clinical and managerial training. The NHS is at the forefront of world class care, leading research and innovation, and is a major customer and partner for the UK pharmaceutical and life sciences sectors. It contributes, through its own work and in its investment in industry, to ensuring the UK is globally competitive. The NHS is at the core of our national life, and the immense value it creates must be recognised and supported. We must invest in our success.