

Consequences for patient safety of the backlog of maintenance and repairs to NHS infrastructure

Oral Question, House of Lords, 9 January 2020

NHS Providers is the membership organisation for the NHS hospital, mental health, community and ambulance services that treat patients and service users in the NHS. We help those NHS trusts and foundation trusts to deliver high-quality, patient-focused care by enabling them to learn from each other, acting as their public voice and helping shape the system in which they operate.

NHS Providers has all trusts in membership, collectively accounting for £84bn of annual expenditure and employing more than one million staff.

Overview

A properly-designed, well-funded system of capital funding is vital for trusts to enable them to invest in buildings and technology, help to create a 21st century health service and ensure they continue to deliver high-quality care to patients and service users. Despite recent, welcome commitments from the government on capital funding, trusts still face significant challenges, with a total maintenance backlog of £6.46 billion in 2018/19, which has meant that leaking roofs and broken boilers, ligature points in mental health facilities and outdated technology cannot be fully addressed. NHS Providers recently launched its ["Rebuild our NHS campaign"](#) to highlight the challenges faced by trusts and lay out a plan for the future of capital expenditure in the NHS.

The impact of the capital maintenance backlog on patients

Insufficient investment in NHS capital expenditure and a growing maintenance backlog inevitably has consequences for patient care and for staff working in an outdated environment. Recent figures show that between 2017/18 and 2018/19, there was a 25% increase in "clinical service incidents". These are incidents that are caused by estates and infrastructure failures that lead to clinical services being delayed, cancelled or otherwise interfered with. Trust leaders frequently tell us of the positive impact that a properly-funded and well-designed system of capital funding would have. Here are some recent examples of projects that trusts are seeking to fund:

- At one foundation trust in the south of England there continues to be a number of clinical incidents caused by large backlog maintenance bill. In one example, a serious power failure led to the closure of almost all clinical services for eight hours. As a result, 1,788 outpatients appointments and 99 elective procedures were cancelled. The trust needs to modernise its estate to ensure a suitable healthcare environment for the delivery of patient care.

- A mental health foundation trust requires between £75m and £100m to upgrade its estate to improve patient privacy and dignity. At present, acute mental health inpatient services are housed in older buildings that offer dormitory-style accommodation rather than single bedrooms. Capital investment would improve patient recovery and improve the morale of the trust's hard-working staff.
- A large foundation trust in the north of England is urgently seeking £34m over a two-year period for upgrades to CT scanners and other equipment. Recent CT scanner breakdowns mean over 400 outpatient scans have been cancelled and there is a backlog of diagnostic scans. Patients have also had to be transferred to other hospitals, and ambulance diversions put in place. Making the required upgrades would mean that diagnostic waits can be reduced, patient experience improved and service continuity can be prioritised.

NHS Capital – why is there a problem?

The NHS spends a significant amount on capital, and this investment is critical for the NHS to function. However, there are three problems that trusts face in ensuring they have enough capital funding:

- First, no capital budget has been set for the NHS beyond 2020/21 unlike the NHS' revenue budget (which has been set for each year until 2023/24). This means that trusts must make plans for capital projects – which can take many years to come to fruition – without being sure that the funding will be available to deliver them. Current levels of NHS capital funding are insufficient to allow the NHS to stand still and clear the maintenance backlog, let alone invest in the transformational technologies, equipment or estate required by modern medicine.
- Second, the proportion of the NHS' budget spent on capital fell from 5% in 2010/11 to 4.2% in 2017/18 – mainly as a result of capital budgets being raided to pay for day-to-day running costs. If capital funding had kept pace with the growth in revenue funding it would have grown by more than £2bn over the same period – enough to build the equivalent of four new hospitals a year. The UK now spends only half as much on health service capital as comparable economies internationally each year. Even taking into account the additional funding recently announced by the prime minister¹, the NHS' annual capital budget is now less than the NHS' entire backlog maintenance bill meaning issues like leaking roofs and broken boilers, ligature points in mental health facilities and outdated technology cannot be fully addressed – even before investment can be made in new buildings and services.
- Third, existing mechanisms for individual trusts to access capital funding do not work as effectively or as transparently as they might. The allocation of capital funding is not based on need. Agreements for major new NHS infrastructure projects were impacted in 2015, when the PFI regime fell out of favour without an alternative being put in its place. In the case of some capital projects, trusts have had to take out interest-bearing loans from the government to help finance them – even though almost half of all trusts reported a deficit in 2018/19 and will be unable to repay these loans.

¹ <https://www.gov.uk/government/news/new-hospital-building-programme-announced>

What needs to be done?

While recent commitments by the government on NHS capital are welcome, including additional funding of £1.8bn in August and £2.8bn in September, regrettably this is still insufficient to meet the needs of a modern healthcare service. NHS Providers is calling on the government to take three steps:

- **First**, set a multiyear NHS capital funding settlement – just as the government has done for the NHS' revenue budget – allowing the NHS to plan for the long term and transform its services and equipment. Ideally, this would match the ten years of the NHS long term plan.
- **Second**, commit to bringing the NHS' capital budget into line with comparable economies², allowing the NHS to pay for essential maintenance work while also investing in long-term, transformational capital projects. We should be aiming to at least double the NHS current capital spend and sustain that growth for the foreseeable future. Because the NHS is a universal public service, increasing NHS capital budgets has the added benefit of bringing much needed investment and jobs to parts of the country that would otherwise struggle to attract them.
- **Third**, establish an efficient and effective mechanism for prioritising, accessing and spending NHS capital based on need, in consultation with those planning and delivering services. This mechanism should ensure trusts are not punished for seeking capital funding by the use of interest-bearing loans which they cannot afford to repay.

Capital Maintenance Backlog

In October 2019, NHS Digital published the latest data on the cost of providing, maintaining and servicing the NHS estate. The data gives a national-level picture of the condition of the estate and the effect it has on frontline services. Reflections on this data can be found [here](#) and key points are summarised below:

- **The total cost to eradicate the capital maintenance backlog in 2018/19 was £6.46bn – an 8% increase on the previous year when the cost was £5.96bn.** The backlog has risen each year since 2013/14, and is now 60% higher than it was in 2013/14.
- **Over half of the backlog represents high and significant risk.** High and significant risk maintenance backlogs have accounted for an increasing proportion of the total backlog figures, rising from 34% in 2013/14 to 53% in 2018/19.
- **The proportion of the backlog constituting significant risk has increased while the high risk category remained flat.** Significant risk backlog now accounts for 36% of the backlog – up from 34% a year earlier – while high risk categories remained at 17%.
- **Total capital investment in the NHS increased by 22% from 2017/18 to 2018/19, but this has not reduced the backlog.** This increase was driven primarily by increased capital investment for new builds

² The long term plan cites OECD data showing how, while the average among EU27 countries is to spend 0.6% of gross domestic product on “fixed capital formation in the health sector”, the UK spends 0.3%. OECD data also demonstrates that the NHS's capital budget needs to roughly double to match the average as a proportion of overall spend.

and for improving existing buildings. The proportion of capital investment for new builds increased to 47% of all capital investment.

- **We risk patients paying the price for the mounting backlog, and the scale of the problem is gathering pace.** Between 2017/18 and 2018/19, there was a 25% increase in clinical service incidents (incidents that are caused by estates and infrastructure failures, that led to clinical services being delayed, cancelled or otherwise interfered with).