NHS Providers response to the Labour Party's National Policy Forum Consultation 2022 – Securing first class public services for all

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 foundation trusts and 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 England in voluntary membership, collectively accounting for £104bn of annual expenditure and employing 1.2 million staff.

How can Labour ensure the NHS and social care deliver a first class service for all?

Addressing health inequalities

Trusts and systems need support to prioritise tackling health inequalities. Improvement will require investment and must complement efforts to reduce the size of waiting lists and a return to expected productivity levels.

COVID-19 has laid bare the limited impact of previous efforts to tackle the issue of health inequalities in our society and revealed the prominence of health inequalities, both within and beyond the NHS. It has intensified policymakers' focus on the need for change while acknowledging that more needs to be done to realise the NHS' potential to contribute towards a comprehensive approach to population health and narrowing health inequalities.

National NHS leaders are looking to systems and trusts to take concerted action on the inequalities faced by those from deprived backgrounds, minority ethnic groups, autistic people and people with learning disabilities, and other protected characteristics. While the NHS has a key role to play in tackling health inequalities, much more concerted co-ordination is required across public services to address the wider determinants of health. This includes action outside of the NHS' direct control to improve housing conditions, support investment in education and early years provision, and to rebalance economic prosperity and employment opportunities across the country.

In terms of the NHS contribution, it is important to note that integrated care systems (ICSs) now helpfully have legal responsibilities to proactively reduce health inequalities. Trusts therefore have a vital role to play in working together effectively with partners across the health system to improve access and to narrow gaps in health equality. In order to ensure the NHS is equipped to address the key issue of tackling health inequalities, trust leaders need to be equipped with the right resources and support. For example, trust leaders have told us that wider pressures on the system and operational challenges could hinder their work to reduce health inequalities and many have said that a lack of data about health inequalities across the system as a whole is challenging. In order to ensure that trusts' long-term commitment to health inequalities is addressed, they need consistency and clarity on a national scale and a supportive infrastructure and regulatory environment which rewards progress on health inequalities as much as it does good operational and financial performance.

The NHS also has an important role to play in improving people's health beyond the services it provides: as an employer, an anchor institution for the communities it serves, and as a key partner within the integrated care system working with communities, local government, and the Voluntary Community and Social Enterprise sector to address the wider determinants of health. This multi-faceted role has become clearer in recent years as collaborative working has strengthened and the role of the NHS in helping staff and communities cope with the pandemic has become more visible and more widely understood.

Revenue

The NHS needs a fair and transparent financial system that actively supports the delivery of key policy priorities and enables investment in high quality services and facilities. It must be realistic about the challenges facing the NHS, particularly its workforce needs given a long period of underfunding, the impact of rising inflation and the cost of living crisis, and the changing expectations and needs of patients and service users. This goes hand in hand with structural reform of the social care market to support resilience and stability, and a long-term funding settlement for social care to place the sector onto a sustainable footing. Social care and the NHS are two sides of the same coin, and the failure to adequately fund social care contributes to additional pressures on the health service.

Consideration should be given to conducting a review of NHS and social care to best understand the challenges and opportunities they face. Such a review would inform a new government on current and future patient and service user needs, the support the sector needs to transform its services and move to a more prevention-based footing, and ensure that adequate funding to enable high quality care designed around 21st century needs.

The pressures facing the NHS now can be traced back over the last decade as five long-term fault lines, all of which have been exacerbated by the pandemic: the longest and deepest financial squeeze in NHS history; a growing mismatch in capacity and demand resulting in pressure on national, performance standards pre-pandemic; staff vacancies and the need for better workforce planning; an underfunded social care system in need of reform; and a health system which is designed around treatment of patients, rather than prevention and early intervention. The NHS will remain under real pressure until we address these fundamental issues

In the 2010s the NHS went through the most prolonged financial squeeze in its history. The average annual increase in funding for healthcare between 1949/50 and 2019/20 was 3.7%. However, between 2009/10 and 2019/20, the average real-terms growth in the UK government's health spending was 1.6%. Coupled with a lack of future planning nationally, this has led to workforce shortages, under-investment in a deteriorating NHS estate and a growing mismatch between capacity and patient needs. The NHS entered the pandemic with a number of significant and persistent challenges, and we know from talking to trust leaders that the COVID-19 pandemic has exacerbated existing pressures.

The current funding settlement, coupled with the need to deliver stretching efficiency targets, has left trust leaders grappling with highly constrained finances alongside severe and growing operational pressures. A recent cash injection of an extra £1.5bn by NHS England and NHS Improvement specifically to offset inflationary pressures has been welcomed by trust leaders. But as our recent report, *Reality Check* shows, significant financial pressures remain, including:

- **Inflationary pressures:** While the additional £1.5bn will help, there will still be a need to continue to monitor and address inflationary pressure over 2022/23. Trust leaders will also want reassurance from government and national bodies that the additional funding to address inflationary pressure will not put other national health and care budgets under pressure.
- **Withdrawal of COVID-19 funding:** In line with the Spending Review settlement, the NHS is expected to reduce direct and indirect COVID-19 costs. However, trust leaders are concerned that the extent of the fall in COVID-19 funding in 22/23 will not enable them to meet additional in-year cost pressures caused by current and potential winter levels of COVID-19 activity and the associated disruptions for non-COVID activity.
- **The need to deliver efficiency savings:** As the provider sector withdraws from interim COVID-19 arrangements there has been a renewed focus on efficiency and closing the gap between income and expenditure. The government recently announced an initiative to eliminate waste across public services and has doubled the NHS efficiency target to 2.2% a year.
- **Increased activity due to the care backlog:** Barriers to further activity gains include workforce shortages, staff exhaustion and burnout, the inability to discharge medically fit patients in a safe timely way, sometimes deteriorating estates in need of investment, and increased pressures in social care. Increasing demand for services and higher acuity are also impacting services.

- **Budget allocations for pay:** Trust leaders strongly support an increase in pay but our recent report, *Reality Check*, shows, 94% of them are not confident that they would have sufficient revenue funding for additional pay costs if the pay review body's recommendations exceed budgeted allocations.
- **Elective recovery funding:** Elective recovery is a key priority for trusts and earlier this year NHS England set out new milestones for delivering the elective recovery plan. Although trusts are working hard to address the elective backlog, there are concerns that should they fail to meet the targets set out, there is a risk that much needed funding will be taken out of their baselines and away from patient care, due to tariff penalties.

Pressures on the NHS are amplified by the continued financial squeeze on social care and public health services. Funding for local authorities has fallen in real terms by over 50% between 2010/11 and 2020/21, despite a rise in demand for key services such as social care, leaving hundreds of thousands of people with unmet and under met care needs. The lack of a long-term settlement for social care exacerbates pressures on services, often leaving the NHS, particularly general practice and emergency pathways, as a key source of support for marginalised and vulnerable people.

Prevention and early intervention

Prevention and early intervention should be at the core of our health service, with trusts seen not only as organisations that treat illness but as key players in improving the health of their local communities. Sufficient investment to promote prevention and early intervention across society is vital.

The idea that the NHS should be involved in prevention is not a new one. Trusts are clear that they have a unique position along the prevention journey to reach those who have needs which can't be met in primary care settings or by local authority services, but can still benefit from an approach which takes a long term view of not just treating their illness, but preventing others.

However, in an environment of strained resources and widening health inequalities, with low investment in public services which support people's health such as social care, transport, and housing, the argument for prevention to be embedded as 'everyday business' for partners across systems – including trusts – has never been stronger. The COVID-19 pandemic highlighted the consequences of the pervasive inequalities present in society that have the potential to damage people's health.

The ten-year Marmot review update pointed out that, 'The health of the population is not just a matter of how well the health service is funded and functions, important as that is'. It points out that health is linked to the conditions in which people are born, live, work and age, with inequities in power, money and resources contributing to people's health as wider determinants – those which go beyond the

influence of health services people receive. All the different players within local healthcare systems – across local authorities, the voluntary sector and local employers as well as NHS and social care services themselves – contribute valuable interventions which make up a holistic approach to preventing and managing ill health. Enabling the changes needed to put prevention and early intervention at the heart of the health service needs sustained support and sufficient funding to ensure that system partners take ownership of the opportunities at hand to improve population health and have the maximum impact.

Capital funding

There needs to be a properly funded and well-designed system offering access to capital to enable trusts to invest in buildings and technology, to provide the foundation for a 21st century health service that enables the NHS to deliver high-quality care to patients and service users.

Capital investment is critical to maintaining efficient and modern equipment, technology and estates within the NHS. Increasing capital investment would allow the NHS to improve services for patients by increasing physical capacity, developing innovative new ways of treating patients, creating safe therapeutic environments for mental health services and allowing hospitals to cope with winter pressures and any future COVID-19 waves. Capital also plays a broader role in supporting the work of NHS organisations as anchor institutions. As an employer of 1.2 million people, the NHS creates social value in local communities, and supports broader social, economic, and environmental aims. Capital investment will be necessary to support the ambition for the NHS to become 'net zero' by 2040 – for example, by moving to zero-emission ambulances and building net zero hospitals.

Trusts welcomed the multi-year capital budget set at the October 2021 Spending Review. After years of under-investment and a trend of capital funding being diverted into revenue, the DHSC's capital budget included funding for the NHS over the next three years to support elective recovery and improve digital technology, transformation of diagnostic services, new surgical hubs, increased bed capacity and equipment, and funding for innovative use of digital technology.

However, this funding injection followed years of prolonged underinvestment in estates and facilities across the NHS, and the maintenance backlog remains a major concern for trusts. The latest Estates Return Information Collection data from NHS Digital shows a substantial deterioration in the NHS estate. In 2020/21, the maintenance backlog was £9.2bn. This puts into perspective the total NHS capital budget for 2022/23, which despite recent increases now totals £7.9bn, limiting the capacity of providers and their system partners to eliminate the maintenance backlog and invest in new, modern, world class equipment, technology and estates.

In our *Reality Check* report published in May, trusts told us that limited headroom in their capital envelope means they carry high levels of risk related to their infrastructure and estates on a day-to-day

basis. Without appropriate investment, issues like leaking roofs and broken boilers, ligature points in mental health facilities and outdated technology cannot be fully addressed, compromising both quality of care and patient safety. At the start of July 2022, we surveyed those trusts currently included in the government's New Hospital Programme – half of trust leaders doubt that they have been given enough funding, while almost two in five said their schemes were behind schedule. Many warned of reduced public confidence that plans will get beyond the drawing board to become reality.

Trusts need the freedom to meaningfully progress their building schemes to drive significant and long overdue improvements in patient safety, experience and outcomes, service capacity, and staff recruitment and retention. The case for investment and speedy progress is clear and urgent. There needs to be create an agile, sustainable and effective national hospital building infrastructure that can provide all trusts – acute, mental health, community and ambulance – with the capability and capacity to deliver rebuilds and construction well beyond the existing timeline for the New Hospital Programme.

Workforce

Every two years, independently verified assessments of current and future workforce numbers consistent with the Office for Budget Responsibility (OBR) long-term fiscal projections should be published. Ensuring we have the right numbers and skill mix of staff to care for patients now and in future is key – putting in place robust planning and sufficient investment is vital if the NHS is to protect its staff from burnout alongside meeting rising demand pressures and recovering from the COVID-19 pandemic.

The latest figures show that there are almost 106,000 vacancies across the NHS and £6bn a year is spent on temporary staff to cover those vacancies. Issues such as inflexibility, insufficient pay and unsatisfactory terms and conditions are all factors which have an impact on the number of unfilled posts across the NHS in England. It is also clear that COVID-19 has had an impact on staff morale and burnout as well as highlighting an increased desire for a better work/life balance. It is clear that we are asking the impossible of our workforce with large numbers of staff having to regularly work extra unpaid hours and increasing numbers reporting illness due to work related stress. The NHS workforce is overstretched and overworked.

Ensuring we have the right levels of staff to care for patients now and in future is key. Our survey published in March this year shows that staff shortages across the NHS are having a "serious and detrimental impact" on services and will hinder efforts to tackle major care backlogs and improve access to services. An overwhelming majority of trust leaders (89 per cent) do not think the NHS has robust plans in place to tackle workforce shortages.

Our survey also found that trust leaders overwhelmingly (88 per cent) want the government to be required by law to publish regular, independent assessments of how many health and social care staff

are needed to keep pace with projected demand. Pressing workforce shortages and the resulting unsustainable workload on existing staff can only be tackled with a robust long term workforce plan. The need for a long term plan to be fully funded is vital – attracting the right skill mix to work in our NHS requires sustained, long term investment which will help us deliver the workforce the NHS needs for the future.

During the passage of the Health and Care Act 2022 we, along with 100 other health and care organisations, pushed for the government to introduce a statutory duty to ensure long-term planning for the NHS workforce. This would have provided a strong foundation to take long-term decisions about work planning, regional shortages and skill mix to help the system keep up with service user need. We were disappointed that this was not adopted. We are now pleased to be engaged in work being undertaken by NHS England to publish a workforce strategy commissioned by the previous secretary of state in the autumn, but it remains to be seen whether this will provide the granular level of information required to support planning. We would urge any future government to prioritise long term workforce planning to ensure the NHS sufficient numbers of staff to cope with demand.

As well as recruiting more staff it is vital to ensure that we have the measures in place to retain the dedicated workforce we have. The NHS needs a modern approach to recruitment which should include fair pay to help attract retain high-quality staff, increased flexibility, the potential for portfolio working and protecting staff development and training.

Reform and investment in social care

Social care and the NHS are two sides of the same coin, and the failure to adequately fund social care has contributed to additional pressures on the health service. We need radical plan to urgently reform and invest in social care.

Demand for health and social care services is increasing year-on-year, largely driven by an ageing population with increasingly complex care needs. Despite a range of commissions, reviews and white papers over recent years, little progress has been made towards putting in place a sustainable social care system. Even prior to the pandemic, the sector was under extreme pressure due to years of under-funding, and went into the pandemic with 122,000 vacancies and a fragile provider market. Cuts to local authority budgets have created a significant funding gap in social care, and have inevitably placed additional pressure on NHS services. This has meant that patients and service users have not always benefitted from the right forms of support to meet their needs. A recent survey from the Association of Directors of Adult Social Services highlighted the impact workforce pressures are having on home care, with almost 170,000 hours a week of home care unable to be delivered during the first three months of 2022 due to a shortage of care workers.

We look forward to hearing more about Labour's aim to bring in a National Care Service, as recently announced, and to gaining a better understanding of its vision of how social care and the NHS will work together in the future.

Ambulance

Historic under-funding of ambulance service provision, and pressures across the system need to be urgently addressed in order to keep up with ever increasing activity faced by the sector.

Prior to the pandemic, all providers of NHS services were feeling the effects of rising demand for services outpacing funding increases and workforce capacity, as well as the knock-on impact of very pressured primary and social care services. The intolerable pressures now seen in ambulance services, are reflective both of the need for better investment directly into the ambulance service, and of the need to invest holistically across the health and care system.

Ambulance service provision has historically been under-funded, with financial settlements not keeping up with ever-increasing activity, nor reflecting demand and capacity modelling. This has had an inevitable negative impact on patient experience and clinical outcomes, as well as the mental health and wellbeing of ambulance service staff.

In the aftermath of the pandemic, we now see ambulance services under unprecedented pressure, with call out times far longer than trust leaders want to see and with long 'handover' delays at A&E reflecting pressures across the system, including delays to hospital discharge 'backing up' the ability of hospitals to admit patients on the urgent and emergency care pathway. At the time of writing, all ten ambulance trusts in England had declared 'REAP' 4, the highest level of alert, meaning they are drawing on all available resource to prioritise call handling and support on the road. Notwithstanding the added pressure of the July heatwave, this is an incredibly concerning position for the NHS to be in, in the summer months ahead of what is expected to be a difficult autumn and winter. The fact that the NHS has fewer hospital beds per capita than many comparable countries, and typically runs its bed base at high levels of occupancy is also significant in considering the pressures on handovers at the front door of a hospital.

Ambulance trusts have been playing a pivotal role in managing the long-term impact of COVID-19, transforming urgent and emergency care (UEC) services and delivering the NHS long term plan. They are uniquely placed to play a leading role in the integration of services and have adapted to find solutions, for example by collaborating with partners to provide more care close to home, changing their clinical response model, training and working practices to deploy their staff more effectively, and they are leading the way in harnessing digital technology to improve care for patients. However, we know there is more to do, to work with national decision makers on more permanent funding solutions,

and to share best practice across the sector. Easing pressures on the ambulance sector will require direct investment in the ambulance service and an understanding of the need to invest holistically in support across the health and care system.

Community health services

Addressing backlogs of care in community health services is a key priority. We would welcome access to additional national funding and support to enable providers to scale up and expand innovative work that is already taking place to address the backlogs of care across community services, and to support the implementation of 'virtual wards' which enable more people to be cared for in their home rather than a hospital setting. Funding and developing our community health services workforce is also crucial if we are to address the complex challenges facing the sector.

Demand for care in the community is outstripping capacity – this is largely due to a growing and ageing population and an increasing number of people living longer with complex health needs. As with other parts of the health sector, there is a capacity and demand mismatch which has been exacerbated by funding constraints on both the NHS and local authorities. COVID-19 has put more pressure on the sector, and workforce pressures, including staff shortages in some services.

Community providers report a waiting list of around 1 million for their services, which is less visible than the elective care backlog. Addressing these waits will be essential to children's life chances with some of the longest waits for diagnoses for children's paediatrics, muscular skeletal conditions, and speech and language support. Community colleagues remain concerned that lack of political attention to these key services could exacerbate health inequalities. They also remain keen to see barriers to integration with social care and primary care colleagues (such as different pay, terms and conditions) removed.

General practice and primary care

A thriving primary care sector with general practice at its heart is vital for the success of the NHS as we move towards a population health approach with greater emphasis on preventative care. Trust leaders have welcomed the recommendations in the Fuller Stocktake to develop neighbourhood level working. Data sharing between primary and secondary care should be a key priority. We would also urge the Labour Party to consider the severe challenges facing the general practice workforce - sustained and measurable action is needed to retain experienced clinicians, support substantive recruitment, better integrate flexible working options, and develop roles that are rewarding.

Many of the challenges faced by general practice are similar to those faced by the system as a whole, for example an ageing population which results in increased demands and needs; pressure on

recruitment and retention; digital transformation and the opportunities and challenges this brings and; a need to nurture person-centred care. Trust leaders and their primary care partners have adopted a range of models to support more integrated care across the interface of primary and secondary care. This includes structural integration (with a trust running GP practices for example), partnerships with large scale primary care organisations (such as super partnerships and federations for example) and partnerships with primary care networks (PCNs) which may of course include multiple smaller practices and partnerships. While we would welcome a focus on integrating services to provide more person-centred care, we would urge any future government not to be too prescriptive about how this should be delivered, allowing local systems to develop relationships and develop a model which works for their communities.

Specifically on workforce, we need to have the right workforce in place to meet the needs of patients. This means stemming the loss of clinicians as well as building on rising trainee numbers. GP roles sit within practice teams with vacancy challenges in each discipline, and attention needs to be paid in equal measures to that wider team if general practice roles are to remain rewarding. Trusts would also welcome more co-ordination in national policy making and local workforce planning, to ensure they are not competing with primary care colleagues (who have scope to pay more for the same role) within a constrained recruitment market.

What do mental health services need from a Labour government?

A bold and transformational plan is needed to address the pressures on mental health services, with a focus on preventing people from developing mental ill health and enabling early access to support for those who do.

Mental health services are under considerable pressure as they seek to respond to increasing demand and acuity. Support for children and young people must be an absolute priority. Ensuring the right solutions are put in place across schools, children's services and other settings is key, as is increasing the focus on prevention and early intervention along with increased support in schools and colleges to meet needs now, and to prevent a mental health epidemic in future years.

We need to see the right support and investment put in place to provide the funding and workforce required to reset the way we approach mental health care and to help deliver for patients and service users in the future. Mental health services are significantly under-staffed and this remains the most pressing challenge to the sustainability and accessibility of services and one which will take the longest to resolve.

How mental health services and their partners in the wider system are resourced, commissioned and funded needs to be addressed to improve access and the quality of care for individuals across the country. There must also be increased support for wider public services, and in particular public health

and social care, given the crucial role these services play in providing people with the wider care and support they need and in helping to both prevent mental ill health and avoid deterioration.

Mental health trusts are also in desperate need of capital investment to shore up outdated buildings and infrastructures in order to provide a more therapeutic environment for patients as well as a better place for staff to work. A lack of capital investment also risks limiting the impact of NHS Long Term Plan investment on mental health services. Without significant changes to the capital regime, NHS mental health services will not overcome the substantial shortfall in care for those who need it most – some of the most vulnerable people in our society.