

House of Commons backbench debate: The future of the NHS, its funding and staffing

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 1.4 million staff.

Key Points

- Improving the health and wellbeing of our population should be a critical pillar in the pursuit of economic growth.
- There is a continuing need to protect the core NHS budget from inflation pressures in 2023/24.
- Capital investment is the vehicle upon which the recovery, transformation and modernisation of the NHS depends.
- It is vital that the forthcoming long-term workforce plan is fully funded in order to ensure the NHS has the workforce it needs to meet future demand.
- We urge the government to join talks with unions about working conditions and pay, particularly for this financial year.

The situation – challenges and demand facing the NHS

The pressures currently facing the NHS can be traced back over the last decade as the result of 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;
- 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.

It is vital that there is long term thinking to address the ongoing challenges facing the NHS.

The latest NHS performance figures show continuing operational pressures, with record long waits for urgent and emergency care and bed occupancy at worryingly high levels. Difficulties discharging patients remain a major pinch point with around 14,000 patients a day still in hospital despite being medically fit to leave. This stark figure lays bare the longstanding lack of social care capacity, the need to invest in community services, and difficulties moving patients through the health and care system.

The elective care waiting list is now 7.20 million, and there are an estimated 1.5 million people on the mental health waiting list and more people being referred to and in contact with mental health services than before the pandemic.

Despite huge operational pressures, the NHS has made impressive progress as trusts continue to work hard to reduce waiting lists and increase activity levels. It has virtually eliminated 104-week waits and is exceeding pre-pandemic levels of activity in crucial areas such as two-week referrals for suspected cancer pathways.

Funding

The NHS remains under considerable pressure as the service continues to recover from the Covid-19 pandemic and deal with unprecedented levels of demand. Major operational pressures have hampered the ability of many trusts to significantly exceed pre-pandemic levels of activity.

Trust leaders recognise they are expected to improve productivity levels, deliver efficiency savings, and work collaboratively across systems to drive activity back to pre-pandemic levels and bring down waiting lists. The additional funding of £6.6bn over the next two years announced in the 2022 Autumn Statement will go some way to mitigate inflationary pressures – which the NHS could not otherwise have absorbed without cuts to frontline services – and improve performance across elective activity, urgent and emergency care, and primary care.

Inflation will continue to bear significant pressure on the NHS core budget in the coming months and there is a continuing need to protect the core NHS budget in 2023/24.

Capital investment

After years of underinvestment and a trend of capital funding being diverted into revenue, trusts welcomed the multi-year capital budget set at the October 2021 spending review. This investment has

the potential to increase productivity and improve performance. However, inflation continues to erode departmental capital settlements set out in the 2021 spending review.

We must not lose sight of the need for vital investment in maintenance renewal across the NHS estate: and the risk to safety and patient care arising from deteriorating infrastructure and estates. At the same time, it is important that a greater proportion of capital investment is spent on new assets in order to generate ongoing improvements in productivity.

Trusts currently part of the New Hospital Programme require urgent clarity about the programme's scope, funding and schedule. Trusts have identified the financial cost of delays given inflationary pressures across the construction sector and material inputs. The programme must be accelerated to enable more trusts to begin construction. Additionally, the government must provide funding to speed up the removal of reinforced autoclaved aerated concrete (RAAC) from the NHS estate as a matter of urgency to protect staff and patient safety.

Social care funding and reform

Better support for social care must be at the top of everyone's agenda. On a daily basis, trust leaders see the legacy of the failure by successive governments to commit to social care reform and the detrimental impact this is having on patients, communities, staff, and the wider health and care system.

While trusts welcomed the £200m package to assist with discharging patients out of hospital and into community and social care settings, they are concerned that this does not offer sustainable solutions. Relieving pressure on the urgent and emergency care pathway and on hospital admissions requires holistic investment across health and social care.

As well as improving discharge pathways, it is important to invest in support to help keep people well within the community. Reform of the social care system is vital along with, ahead of the next spending review, a long-term, multi-year settlement to ensure delivery of key priorities.

Workforce

NHS staff are pulling out all the stops in the face of severe workforce shortages, escalating demand and outdated buildings to provide care in the most challenging circumstances.

As of February 2023, there were over 133,000 vacancies across the NHS. NHS Providers' [State of the provider sector](#) report published in November last year showed that almost all (93%) trust leaders were extremely or moderately concerned about the current level of burnout across the workforce, and eight in 10 (80%) were extremely or moderately concerned about workforce morale. Trust leaders are also deeply concerned about the ongoing industrial action, understanding the reasons why staff are going on strike, and being worried about the impact on their ability to deliver care.

Urgent action is needed:

- Serious talks, including on pay, need to take place between health ministers and unions without delay
- The long-term workforce plan is essential to enabling the recruitment of staff the NHS needs, and must be fully funded
- Improving staff retention is critical given the impact of operational pressures and burnout.

The contribution of the NHS to the economy and society

Trusts play a key role in creating economic and social value for their communities, as a major employer, a provider of key services and often as a supporter of local businesses and voluntary sector organisations. [Recent research](#) shows that every £1 spent on healthcare will deliver a further £4 back in increased productivity and employment. Investment across the life sciences also plays a key role in driving UK economic growth.

With the right funding and support, the NHS can help people back into work and improve the health of the UK labour market. As the [IPPR highlights](#), there are significant numbers of people with long-term health conditions who are economically inactive but would like to return to the labour market. Approximately [20% of people aged 50-65](#) are currently out of work and waiting for NHS treatment.

Trust leaders support a shift towards allocating more funding that prevents ill health. Yet the [Health Foundation](#) reports that the public health grant – allocated by government to local authorities each year – has been cut by 24% since 2015/16. Moreover, pressures on public services more broadly (including housing, education, employment and energy benefits) all impact directly on the NHS – particularly those NHS services which offer 24/7 support and are available for the public in times of crisis. A holistic approach to public spending will pay dividends, taking into consideration the central contribution the NHS plays in our country economically and socially, along with the direct impact on NHS services of cuts to other forms of support.