Introduction

Welcome to our factsheet giving an overview of major trends and challenges facing the acute sector. The information has been compiled on NHS trusts and foundation trusts (FTs) that provide secondary care services including A&E and major surgical procedures. These trusts include teaching hospitals, smaller district and general hospitals and specialist hospitals. In compiling this factsheet we are conscious that many acutes are increasingly providing a broader range of services outside of hospitals. The main focus here is on their role in delivering acute care. The data has been collected from a variety of sources and covers hospital activity, A&E, finances, workforce, social care, patient and staff satisfaction and new models of care.

Activity
Activty has risen markedly in the acute sector in recent years. The total number of acute hospital admissions in England grew from 11.3 million in 2003/04 to 14.7 million in 2013/14; an increase of 30.3 per cent. In 2013/14, the NHS performed 44 per cent more operations than in 2003/04 – 9.672 million in total.

During this huge rise in activity, hospitals brought down median waiting times and average lengths of stay. The median waiting time for cataract surgery reduced from 127 days to 62 in 2013/14. People needing hip replacements now wait for an average of 76 days, down from 217 in 2003/04.1

How long people stay in hospital has also been reduced. In the five years to 2013/14, the national total number of bed days – where the patient stays overnight in a hospital – fell by over 3 per cent, despite the increases in activity which saw hospital admissions rise 60 per cent more than would be expected from the growing and ageing population.3 Age has a big effect on length of stay, when looking at emergency admissions. The average for all ages is 5.6 days – this increases to 9.3 days for ages 75-84, and 10.9 days for ages 85+.4

Between 2006/07 and 2012/13, hospitals also oversaw a 13 per cent drop in the length of stay for patients who were admitted for over a month. Focusing on reducing long-staying patients has a large impact as they account for nearly 30 per cent of all bed days, but are only 1.5 per cent of admissions.5

The reduction in length of stay has been achieved by hospitals becoming more productive: they are seeing more people as outpatients – there was a reduction of 14 per cent in overnight stays in the six years to 2012/13. As the average day case cost in 2013/14 was £698 compared to an overnight stay of £3,375, this has been a key efficiency saving.
A&E

A&E attendances have been rising every year since 2001/02. In 2014/15, there were over 22.3 million visits to A&E, up from just over 17.8 million in 2004/05.7

Despite this huge rise in attendance, the sector achieved the 95 per cent, four-hour target until Q2 of 2013/14, when performance dipped to 94.98 per cent. In 2014/15, hospitals still managed to see, treat, admit or discharge 93.6 per cent of all patients within four hours, while also treating more people within the target time than ever before (20.94 million).8 A comparative study into international emergency departments found that Victoria in Australia, Ontario and Sweden all have targets lower than 95 per cent, and all are unable to meet them.9

It is the admissions rate from the major, consultant led ‘Type 1’ A&E departments that really shows the increased pressure that A&E departments are under. The figures suggest that people are presenting at A&E with more serious health issues than ever before, which require them to be admitted into the hospital.

In 2004/05, 20.8 per cent of people attending the major A&E units were admitted into hospital. In 2014/15, this had increased to 27.3 per cent.10 That is equivalent to an extra 3,320 emergency admissions across England each day. The effect of our ageing society is apparent in admissions statistics – those aged 65 and over only account for 22 per cent of all A&E attendances, but they account for 47 per cent of all admissions from A&E.11

An extra 3,320 emergency admissions through major A&Es across England each day between 2004/05 and 2014/15

A&E attendance (all types)
Social care

In our recent survey, 99 per cent of NHS leaders said social care cuts are increasing the pressures on the NHS, with 79 per cent agreeing that cuts have increased the length of time that an individual remains in hospital. In the last parliament, spending on adult social care reduced by £4.6 billion, with around 400,000 fewer people accessing local authority care. Between 2008/09 and 2013/14, the total number of people receiving services reduced by 29 per cent. These are people who have care needs that go unmet, until the person reaches a crisis point when they turn to the NHS for support.

One way to measure the effect of social care cuts on hospitals is the level of delayed transfers of care (DTOC). DTOCs occur when patients are well enough to leave hospital, but are still occupying a bed. The reasons behind DTOC are varied. It could be because a patient is waiting for the completion of a clinical or social care assessment, for further non-acute NHS care such as rehabilitation services, or a care home place, care package or adaptations to their own home.

From June 2014 to June 2015, there were 1.67 million ‘delayed days’ due to DTOC. This was 17 per cent higher than in the previous 12 months. Over this period, delays where the NHS was responsible rose by 12 per cent – those attributable to social care organisations by 25 per cent. A NHS bed costs around £1,900 a week, compared to about £530 for a place in residential care. Between June 2010 and June 2014, the NHS lost almost two million bed days due to patients waiting for social care related support. This is estimated to have cost the system up to £526 million.

79 per cent of NHS leaders agreed that cuts to social care have increased the length of time an individual remains in hospital.

Number of adults receiving local authority funded social care

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>2,000,000</td>
</tr>
<tr>
<td>2009/10</td>
<td>1,800,000</td>
</tr>
<tr>
<td>2010/11</td>
<td>1,600,000</td>
</tr>
<tr>
<td>2011/12</td>
<td>1,400,000</td>
</tr>
<tr>
<td>2012/13</td>
<td>1,200,000</td>
</tr>
<tr>
<td>2013/14</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>
Finance

The NHS is facing an unprecedented financial crisis. Funding has been flat in real terms for five years and large efficiency savings have already been achieved. This, along with a 4 per cent annual increase in demand, saw a £922 million deficit across the 155 acute trusts in the first quarter of 2015/16. Deficits are expected to grow further this year.

The graph below shows the earnings before interest, taxes, depreciation and amortisation (EBITDA) for acute foundation trusts. EBITDA is a useful metric that shows an organisation’s economic performance by looking at the income it receives and the expenditure it pays out, before other factors such as tax and interest are accounted for. The figures show that the economic situation for FTs has deteriorated rapidly over the past five years, due to rising costs, such as staffing and decreasing income due to the reductions in the tariff.

Between 2009 and 2015, the NHS was tasked with finding £20 billion of efficiency savings. The acute sector contributed towards a huge part of the savings through pay restraint and the annual decrease in the prices paid to hospitals for activity – the tariff.

In the course of the last parliament, the amount the acute sector was paid for activity dropped by an average of 7 per cent in real terms. Over 2010/11 and 2011/12, £4.8 billion was saved through the tariff reduction – which was 44 per cent of the total savings made by the whole NHS over those two years.

“Funding has been flat in real terms for five years and large efficiency savings have already been achieved. This, along with a 4 per cent annual increase in demand, saw a £922 million deficit across the 155 acute trusts in the first quarter of 2015/16.”
Workforce

Hospitals have increased the number of frontline staff over the last few years. This is to cope with the increase in demand on their services and to ensure the required level of safety and quality in the wake of various reports, including the Francis report that made 290 recommendations in 2013 after investigating care failings at Mid Staffs Hospital. The extra staff employed have had a large effect on the finances of the sector. In 2014/15, there was a 4.9 per cent – or £1.2 billion – increase in FTs’ permanent staffing costs.21

The increase in demand for staff, especially nurses, has been apparent across the country, with acutes competing with each other for the limited pool of qualified staff. The scale of the nursing shortage in the UK prompted trusts to recruit a total of 8,183 international nurses to work in the UK in 2014/15.22 More nurses are also leaving the NHS than before. The Carter interim report into NHS productivity released in June 2015 showed a 29 per cent increase in the number of qualified nurses leaving the profession in the last two years.23

Health Education England, who are responsible for workforce planning in the NHS, have commissioned 13 per cent more training places for nurses in 2015/16 compared to 2012/1324, but due to the length of time it takes to train nurses, the health sector will not see the benefit of this increase until 2017 at the earliest.

These compounding factors have led to an increase in the number of agency staff employed, who are often vastly more expensive, more likely to be unfamiliar with the hospitals and their processes, and have a negative effect on staff morale. In the three years leading up to 2014/15, the annual bill for agency staff rose from £1.8 billion to £3.3 billion.

Patient and staff satisfaction

Despite an unprecedented rise in demand and severe financial challenges, the general public is consistently satisfied with the level of service hospitals provide. The Family and Friends Test (FFT) collects data monthly and was launched in 2013. The data shows a very high level of patient satisfaction with the acute sector. In August 2015, 96 per cent of respondents that had used inpatient services would recommend them to their family and friends, up from 94 per cent a year earlier. 92 per cent of respondents would recommend their outpatient service, and 88 per cent their A&E department.25 The 2014 CQC inpatient survey echoes the FFT’s findings, with 84 per cent of respondents giving their overall experience with hospitals a score of seven out of ten or above.26 As of October 2015, the CQC also gave 92 per cent of acute trusts good or outstanding ratings in terms of being caring.27

The 2014 British Attitudes Survey found the highest level of satisfaction since 1998 for people who had recent contact with an NHS hospital, at 69 per cent. The same percentage of people were satisfied with outpatient services – giving it the highest score since the survey began in 1983. Satisfaction with A&E services increased to 58 per cent in 2014 compared to 53 per cent in 2013, and inpatients sat at 59 per cent, up 1 per cent from 2013.28

Data from the annual NHS Staff Survey also shows a high level of satisfaction by acute staff in key areas. In 2014, 73 per cent of respondents were satisfied or very satisfied with the quality of care they give to patients. 92 per cent felt trusted to do their job and 78 per cent were satisfied or very satisfied with support from colleagues.29

“In 2014/15, there was a 4.9 per cent – or £1.2 billion – increase in FTs’ permanent staffing costs.”
New models of care

Acute providers have been a driving force in NHS England’s vanguard sites; hospitals are involved in 44 of the 50 vanguard sites. These new models of care look to implement the Five Year Forward View (5YFV) by transforming how care is provided in collaboration with a variety of GP, community, voluntary, social care and mental health services, plus spreading expertise to other acute providers – very much a continuation of partnership working in local health economies that has been developing over many years.

The acute sector is involved in two types of vanguards; sites that encourage the spread of excellence between hospitals covering over 15 million people, and sites that focus on integrating care between different services in local areas, which includes aspects such as:

- integration of health and social care
- creating multidisciplinary teams that coordinate care around the patient’s needs
- data sharing between primary and secondary care
- enhanced access to community nurses and GPs
- a focus on social isolation and emotional wellbeing
- single points of access for all emergency care
- providing treatments and access in primary care settings
- new payment and funding mechanisms.

Confederation viewpoint

The acute sector, like the rest of the NHS, understands that as people’s health needs have changed, ‘more of the same’ type of healthcare is not going to be sustainable. Acute trusts are creating a new role for themselves, leading the way in realising the 5YFV by providing appropriate, high-quality care both inside and outside hospital.

We will continue to support and represent our acute members by influencing the government and the national bodies on the key policy issues that impact on their work, and affect their ability to deliver in the short term and to transform care in the longer term. This means building on our recent work to influence the spending review, tariff levels, regulatory frameworks and new models of care to ensure that we have an effective and sustainable health and care system.

Acute trusts are currently facing a set of unprecedented challenges as we have highlighted, and the NHS Confederation is uniquely placed to support them to address these issues.

To learn more about the work our acute members are doing to transform care and our work to represent and support them, please visit www.nhsconfed.org

Further information

For more information on the issues covered in this factsheet, please contact Emma Paveley, policy officer, at emma.paveley@nhsconfed.org
References

2. ibid
4. NHS Benchmarking (2015), Older people in acute settings
6. Department of Health (2014), Reference costs
12. NHS Confederation (2015), member survey
13. ADASS (2014), ADASS budget survey
14. HSCIC, Community care statistics, social services activity, England – 2013/14, final release. Due to changes in how social care data is collected, 2014/15 figures are not comparable to previous years.
15. NHS England, Delayed transfer of care
16. Age UK (2014), Nearly 2 million NHS days lost since 2010 as people remain in hospital waiting for social care
17. ibid
19. The King’s Fund (2014), written evidence to Health Select Committee inquiry in to public expenditure on health and social care
20. The King’s Fund (2014), The NHS productivity challenge: experience from the front line
22. Royal College of Nursing (2015), International recruitment 2015
24. Nursing Times (30/06/15), Workforce plan to train 23,000 new nurses in England by 2019
27. NHS Confederation analysis of CQC data
29. NHS Staff Survey (2014)
30. NHS England, New care models – vanguard sites