

NHS Confederation Autumn statement representation 2023

1. As we approach winter, the NHS is still amid an unprecedented yearlong industrial dispute. The impact will last for years to come, but we know that it has already resulted in more than 1.2 million cancelled operations and outpatient appointments and cost at least £1.1bn for the first three months of the financial year. At the same time the elective backlog has grown to 7.75m cases, and this does not include waiting lists in other parts of the system such as community services. The old adage that health is wealth is highlighted by the record 2.5m people out of work due to ill health and the estimated cost of £43 billion a year to the UK economy as a result.
2. As we approach the mid-way point of the financial year, the majority of finance leaders tell the NHS Confederation that they are not confident that their local systems will achieve their financial targets this year. The costs of covering strikes, alongside stubbornly high inflation levels, including rising drug prices, are key factors. Analysis by the Nuffield Foundation shows that, when you take into account the higher-than-expected inflation levels of the last two years, the value of the Government's £20.5bn investment in the NHS at the time of the Long-Term Plan in 2019 is now worth considerably less in real terms. As a result, and without additional funding from the government to cover the unexpected costs from industrial action this year, it's likely that almost all Integrated Care Systems will end the year in deficit. While the Autumn Statement addresses next year's spending, it's entirely unclear how local systems will be returned to surplus next year.
3. The recent RAAC issue in schools, as well as in health settings, highlights the parlous state of much of the UK's public capital infrastructure. It's no surprise given the lack of investment and it's a problem that stretches across multiple governments. The NHS is a case in point: the UK has consistently spent less on capital investment than its OECD peers for more than a decade and a half.

This was compounded between 2014/15 and 2018/19 when the capital budget was raided to pay for holes in the revenue budget. We are now paying for that lack of foresight and investment.

4. Whilst there are considerable challenges, there is much to celebrate in the NHS's 75th year such as the public's commitment to the founding principles of the NHS and the array of evidence showing that a strong NHS is key to supporting economic growth and productivity. Analysis we published in October 2022 shows that every £1 invested in the NHS, returns £4 in Gross Value Added (GVA) for the economy. We should stop seeing the NHS as a drain of public resources and instead as a key driver of economic activity and employment.
5. **As we head into the general election year, health leaders have identified the following priorities both for this Statement:**
6. **Significantly increase the country's CDEL.** The UK has lagged behind peer countries for the past 13 years hampering members' ability to reduce the backlog, transform care and improve productivity. Last year, nine in ten members told us the lack of capital investment is undermining their efforts to reduce waiting lists and is putting patient safety at risk. It is also impeding them from working as efficiently as they otherwise could. Ensuring investment in capital in the NHS will boost productivity, support the NHS to get through its care backlogs and ensure patients can access the best possible treatment and support.
7. Given this, the NHS Confederation is calling for the NHS Capital review that was recommended in the Hewitt Review and promised by government to be carried out as soon as possible.
8. In primary care, over one fifth of the near 9,000 general practice and primary care premises in England are not fit for purpose. Primary care leaders are calling on the government to set aside additional investment to support the building and modernisation of new and expanded clinics to treat patients in the community, as well as for improved IT and management support for staff.
9. Meanwhile, mental health services have some of the oldest building across the NHS estates, with 15 percent of mental health and learning disability sites built pre-1945 - older than the NHS itself – compared to 9 percent of acute sector sites. The cost of addressing the high risk maintenance backlog across mental health and learning disability sites has almost trebled from £16.2 million in 2019/20 to £48.3 million in 2021/22. Despite this, there were over 50 bids from mental health trusts for the government's New Hospitals Programme but only two were successful.
10. In addition, NHS leaders continue to describe the capital allocation process as opaque, overly bureaucratic and too slow to approve business cases. Members have told us that they have been allocated funding and have

planned a project based on this, but given inflation, by the time the money is actually received they are able to get less for the funding and are unable to complete their planned works. We would like to see these allocation processes addressed in the review.

11. **Support a cross-government approach that creates the conditions for everyone to enjoy the best possible health**, increase the number of years people live in good health and to reduce the unacceptable inequalities in health outcomes we see across the country. To start the public health grant must be increased back to a level sufficient to meet demand following more than a 25% decrease over the past eight years and delivered far earlier each financial year.
12. We know 80% of people's health needs are influenced by factors outside the NHS, and those communities with the highest levels of deprivation and that face the biggest challenges are most adversely impacted by lack of access to support in these areas. Therefore, Treasury should mandate that every Government department should include health equity impact assessments for any new policy and/or programmes, assessed by a cross-government health committee to ensure that health is considered across Whitehall.
13. We welcomed the recent major conditions strategy case for change and strategic framework given its focus on multimorbidity, prevention and improving outcomes. However, this must now be backed up by funding for all the necessary departments.
14. Critical to building the health of the nation is the health of our children and young people which our members – particularly those working in primary, community and mental health services – tell us they have growing concerns about. Referrals to children and young people's mental health services have increased by 159% between June 2019 and June 2023. NHS leaders want to see the government give as much priority to addressing this area as they do the elective care backlog.
15. **Support the NHS to make long term financial planning decisions.** NHS leaders repeatedly tell us that funding allocations often come too late with too many restrictions, limiting their ability to get the best value for money for taxpayers.
16. For instance, 'winter funding' is often provided late in the year to increase the number of community beds over the winter period before being restored the following winter. Furthermore, winter funding does not address the whole system requirements to safely manage winter demand, for example, with none of the winter funding for 2023/24 designated for primary care.
17. Instead, we are calling for funding to be made largely multi-year and recurrent. So, where funding is 'non-recurrent' yet recurs every year, it should

be classed as what it is- recurrent funding. This will enable ICSs to better plan and to invest in social care, infrastructure and innovation to ensure the delivery of more efficient and effective care, including through the Voluntary Community and Social Enterprise (VCSE) sectors, that meets the needs of local communities.

18. **Fully support the NHS Workforce Plan with a clear long term funding commitment.** The NHS currently has 100,000 vacancies which is impacting productivity, patient experience and staff morale. To take one example, the permanent GP workforce is 2,000 less than where it should be and the target to recruit an additional 6,000 GPs will not be met. Meanwhile, the elective care backlog has risen to 7.75m and that isn't even including backlogs in other parts of the system such as the 1.2m waiting list for mental health services and over 1 million for community services.
19. Industrial action has exacerbated this pressure, with NHS England estimating that up to July 2023 industrial action has already cost the NHS £1.1bn. This why we are urging the BMA and government to set aside their respective pre-conditions and resume talks. At the same time, the government must ensure that providers working in the NHS but not on Agenda for Change pay – such as in community or primary care – are given enough money to pay their staff the equivalent increase.
20. NHS leaders welcomed the publication of the NHS Long-Term Workforce Plan. We must now see that the measures are fully funded, and the sooner the better.
21. One important route to better NHS productivity lies with digitisation. Digitisation can help to improve productivity in the NHS, but there is a severe digital and data skills shortage in the NHS workforce which is impacting its ability to fully develop, deliver, and scale the full ambition of digital transformation required to realise real productivity gains. As recommended by the recent Hewitt review, the NHS needs to urgently invest in, develop, train and recruit more specialists in fields at both the system and provider level. It cannot do this without sufficient HM Treasury funding and support.
22. **Complete the Long-Term Workforce Plan with a social care equivalent.** We know that the social care workforce faces even bigger challenges than we see in health and that without an equivalent plan for social care, the full benefits of the NHS plan will not be realised. Hence, NHS leaders want to see a plan for the social care workforce that mirrors the NHS Long-Term Workforce Plan and we recently wrote to the Prime Minister asking for his support to do so with HM Treasury's backing. Our members know that social care provision is essential to the communities we serve, and we know that the risks faced by our social care colleagues in relation to their workforce are profound. We look forward to working with Skills for Care on their recently announced strategy and urge HM Treasury to commit funding once necessary.

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