BMA response to the Public Accounts Committee inquiry into the financial sustainability of the NHS

About the BMA
The British Medical Association (BMA) is an apolitical professional association and independent trade union, representing doctors and medical students from all branches of medicine across the UK and supporting them to deliver the highest standards of patient care.

Executive Summary
The BMA believes that the NHS is facing a funding crisis which can only be solved through increasing investment based on a realistic assessment of what is needed to meet the health needs of current and future generations. We welcome the Public Accounts Committee’s timely inquiry and in this response seek to identify current financial challenges facing the NHS and explore how these can be addressed.

Overall current funding levels are the biggest single threat to the sustainability of the NHS. Within this there are six main areas of concern that should be urgently addressed: crisis in general practice, hospital deficits, cuts to public health funding, inadequate levels of social care funding, the focus and funding of Sustainability and Transformation Plans (STPs) and transparency of funding levels and government announcements of spending across health services. Key points raised in this submission include:

- The proportion of NHS funding spent on general practice has fallen from 10.4% in 2005/6 to 8.1% in 2014/15.

- In secondary care, the aggregate NHS provider and commissioner deficit increased from £554 million in 2014/15 to £1.85 billion in 2015/16. The BMA is particularly concerned that using the £1.8 billion STF (Sustainability and Transformation Fund) to plug these deficits will leave little money being left for the transformational change and the long-term investment that the NHS needs to ensure its sustainability.

- The BMA has concerns about government’s overall commitment to prevention and investment in public health, as demonstrated by the limitations of its recent obesity plan, which fails to include plans for tighter controls on marketing and promotion of unhealthy products. We also believe more needs to be done to increase health literacy, particularly from an early age to achieving public health prevention measures and to promote better awareness of self-care.

- Between 2009/10 and 2014/15 there was a 25% reduction in people receiving publicly funded social care. One of the main consequences of this is delayed discharge of older patients into more appropriate care settings, resulting in bed shortages for other patients in need of acute care. More must be done to fund social care as even with the social care precept announcement it will still not be enough to fill the funding gap of £2.8 to £3.5 billion by 2020.

- The BMA is becoming increasingly concerned that the primary focus of STPs (Sustainability and Transformation Plan) is on cutting back NHS budgets and, therefore, services. Recent BMA analysis found that STPs will have to deliver £26 billion in cuts by 2020/2021 in order to balance health and social care spending across the 44 ‘footprint areas’.

- Government must improve transparency around health funding by working with the UKSA (UK Statistics Agency) to implement their recommendations for reporting overall health spending.
Current funding

1.1. At the end of 2014, the Five Year Forward View (5YFV) estimated that the NHS in England is heading for a discrepancy between resources and patient needs of nearly £30 billion a year by 2020/21. It suggests that to close this gap, the NHS needs to achieve efficiency gains of 2% to 3% each year. This has been interpreted as a funding increase of £8 billion and annual efficiency savings of £22 billion.

1.2. The government then announced it would invest £10 billion to deliver on commitments in the 5YFV. Much of this funding is, however, reliant on cuts in other areas including public health, education and training, capital spend and national bodies such as NICE (National Institute for Health and Care Excellence). Spending in these areas is being cut by more than £3 billion over the next five years, meaning the additional funding available is in fact £4.5 billion, falling far short of what is needed.

1.3. In addition to this, the 5YFV’s estimate did not take into account funding for the government’s subsequent commitment for seven day services.

1.4. We are therefore deeply concerned by the mismatch between what the government claims it is investing in the NHS and what is actually being made available. Following repeated claims by government that NHS investment will increase by £10 billion during this parliament, the BMA wrote to the UK Statistics Authority (UKSA) asking them to advise on the validity of these statements and calling for their assistance in finding clarity as to the true value of NHS funding announcements. In its response the UKSA noted that ‘total health spending figures are much less frequently referred to by Government’ and in light of this pledged to:

- Ask HM Treasury to investigate whether in future they can present estimates for NHS England and total health spending separately.
- Explore with officials other ways in which they might ensure clarity around sources, time periods and what is being measured, and in what context, when reporting on the level of increase in real budget allocations to NHS England.

1.5. The BMA therefore asks the Public Accounts Committee (PAC) to join us in calling for government to work with the UKSA to address these points, and to make NHS finances transparent to all. We see this as a crucial first step in addressing the current shortfall in health spending.

2. Primary Care

2.1. Primary care has been particularly hard hit, with the proportion of NHS funding spent on general practice falling from 10.4% in 2005/6 to 8.1% in 2014/15. Our members are concerned that this approach is contrary to evidence that shows that investment in general practice reduces secondary care costs and is therefore, crucial to NHS sustainability. It also runs counter to the intention of delivering more and more care in the community, a central theme running through the 5YFV. To address the current situation the BMA recommends a sustained, year-on-year increase in the proportion of NHS funding going to general practice on a recurrent, equitable basis for practices. The funding announced as part of the GPFV (General Practice Forward View) will increase recurrent spending in general practice by £2.4 billion, raising the share of NHS funding spent on general practice back to 10.4% by 2020/21. However this remains below the BMA’s call for 11% of the NHS budget to be spent in general practice.

\[\text{1 BMA NHS funding and efficiency savings, pp. 4-5, } \text{https://www.bma.org.uk/collective-voice/influence/key-negotiations/nhsfunding/nhs-funding-and-efficiency-savings}\]
\[\text{2 BMA (2016): BMA seeks NHS funding figure clarity}\]
\[\text{3 Spend to save: The economic case for improving access to general practice A report for the Royal College of General Practitioners, p.5, } \text{http://www.rcgp.org.uk/~/media/Files/PPF/2014-RCGP-Spend-to-Save-Deloitte-report.ashx}\]
2.2 General practice is the foundation of the NHS. However, a year after the government promised to recruit 5,000 more GPs, the BMA’s 2016 survey of over 5,000 GPs found that 31% of practices are still unable to fill GP vacancies at all, while 27% are unable to fill vacancies within 6 months. To address this and get more GPs into practices, government must promote the uptake of general practice to trainees, and work with the profession to retain current GPs and attract more GPs back into the workforce. Alongside this the government needs to continue to work with the BMA to implement the recommendations of the BMA’s report GP safe working and locality hubs to ensure the current number of GPs are able to deliver safe care to their patients. These include a safe level of appointments per day, appointment times that are sufficient to accommodate patient need, and support for the rollout of ‘locality hubs’, where appropriate, to help combine local resources in areas where demand outstrips capacity.

3. Secondary care

3.1 In secondary care, the aggregate NHS provider and commissioner deficit increased from £554 million in 2014/15 to £1.85 billion in 2015/16. In the provider sector alone, deficits stood at £2.45 billion at the end of 2015/16. This deficit is set to continue with NHS Improvement reporting that the NHS provider sector is heading for a combined deficit of £669 million at the end of 2016/17. To try to cut the combined provider deficit to around £250 million in 2016/17, the DH (Department of Health) has made available £1.8 billion via the STF (Sustainability and Transformation Fund). The BMA however has reservations that, as the STF can only be spent once, if most of the funds are used to plug deficits there will be little money being left over for the transformational change and long-term investment that the NHS needs to ensure its sustainability.

4. Sustainability and Transformation Plans

4.1 The 44 STPs have the potential to lead to better integration and healthcare tailored to local needs. However the BMA is becoming increasingly concerned that the primary focus of STP development is not, as it should be, on delivering the best possible patient care, but in cutting back NHS budgets and, therefore, services. Of particular concern, new analysis from the BMA found that STPs will have to deliver £26 billion in cuts by 2020/2021 in order to balance health and social care spending across the 44 ‘footprint areas’, raising serious concerns about cuts to services and the impact on patient care. Staffordshire and Stoke-on-Trent Trust for example predicts a £256m shortfall in social care, according to the latest figures from its STP.

4.2 We have been clear that for the BMA to be able to support STPs we need assurance on the following key asks:

- All proposals within the plans need to be realistic and evidence based.
- There needs to be a commitment to full consultation with clinicians, patients and the public on any proposed changes as early as possible.
- The plans need to be funded properly.
- Patient care, and not savings, needs to be the priority of each and every plan.

4.3 At this point, we do not believe that most areas would successfully meet these asks. In particular, we are concerned that many STPs are proposing to cut services without the necessary evidence to show that it will either save money or improve the quality of care.

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5. Social Care

5.1 While we welcome the government’s social care precept announcement, allowing local councils to increase spending on social care, we are concerned that this alone will not help address the long term national crisis we are facing in this area. The extra funding is likely to raise an extra £200 million in 2017/18 and over £400 million in 2018/19, which is still not enough to fill the social care funding gap of between £2.8 and £3.5 billion by 2020. We are therefore calling on government to reassess its stance on this crucial issue and to provide social care and the NHS, its workers and its patients with the necessary resource to allow continuity of high quality timely care.

5.2 As noted in the recent Statement by the Chair of the Health Select Committee, Dr Sarah Wollaston, there is a real need for government to look at social care and NHS funding together and not in isolation. Between 2009/10 and 2014/15, funding for the provision of adult social care fell in real terms by an average of 2.2% a year, which has led to a 25% reduction in the number of people receiving publicly funded social care. One of the visible consequences of this is the delayed discharge of older patients out of hospital into more appropriate care settings because the care services are simply unavailable.

5.3 The RCP (Royal College of Physicians) has reported that the number of patients stuck in hospital because of delays in being discharged has risen by 80% over the last five years. This results in worse patient outcomes and problems further down the line as older people can quickly lose mobility and the ability to do everyday tasks, as a consequence of being in hospital. Not only is this bad for the patients unnecessarily kept in hospital, it means that people who do need hospital care cannot be admitted due to bed shortages, in addition to being wasteful of NHS resources. The gross cost to the NHS of bed days occupied by older patients no longer in need of acute treatment is estimated at £820 million.

5.4 To address this critical situation, we believe a national framework is needed to set out how the NHS, public health and social care will be funded, commissioned and organised in the future to meet the needs of the population. Kate Barker’s recommendation, in the 2014 Kings Fund Report, for health and social care funding at 11% of GDP provides a good starting point. When it comes to better integration, the experience of our members suggests that cultural and behavioural change has the biggest impact. The BMA recommends that organisations should be supported to work together, focusing on partnership working, to promote future NHS sustainability.

6. Self care and public health

6.1 In future, ill health prevention activities to address risk factors such as smoking, alcohol misuse and poor nutrition significant to the development of long-term conditions (e.g. cancer and cardiovascular diseases), must be prioritised. This will contribute to promoting sustainability of the NHS.

6.2 Increasing health literacy, particularly from an early age is key to achieving public health prevention measures and promoting better awareness of self-care. This is crucial as people with low health literacy report worse physical and mental health, along with a higher prevalence of a number of serious health conditions. This issue is compounded by the number of competing messages associated with commercial marketing, including a stark contrast between government expenditure on public health communications and the money spent by companies advertising unhealthy food and

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10 Rowlands G, Protheroe J, Richardson M et al. Defining and describing the mismatch between population health literacy and numeracy and health system complexity. Submitted for publication.
drink products. According to PHE, while the government’s public health marketing programme Change4Life has an annual budget of £10 million, nearly £150 million was spent on marketing unhealthy food and drink products in 2013. We recommend that to address this, government explore how to better promote health literacy from childhood and couple this approach with reviewing existing promotions and advertising for unhealthy food and drink products.

6.3 To ensure that this happens a long term, comprehensive public health strategy aimed at improving health over a generation (i.e. 25 years) needs to be developed. It would also overcome the inherent weakness of existing strategies that are typically short term, and that can radically change in focus after each parliamentary cycle. We recommend that its development, implementation and monitoring should be overseen by a standing Royal Commission on Public Health.

6.4 A prevention strategy will result in long term savings to the NHS, so recent cuts to public health budgets are extremely concerning. They will damage the health of the public and the NHS’s long-term sustainability.

7. Future funding
7.1 Given the concerns which the BMA and many other stakeholders, including NHS England, NHS Providers and the Health Select Committee have raised regarding levels of NHS funding, we are dismayed that the Chancellor’s Autumn Statement on 23 November 2016 contained no new money for the NHS. The government must ensure the NHS receives the funding it needs to continue to provide universal access to high quality care. Under the current funding settlement this is being called into question. Unless a new funding settlement is reached we will see a continuation of what has begun to be more and more common place, the rationing and reduction of services. The NHS is barely coping with unprecedented rising patient demand against a backdrop of crippling financial restraint, not due to financial mismanagement, but in the face of unprecedented rising demand.

January 2017

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Locality Hubs
Locality hubs offer a GP-led model that could be commissioned to help manage demand and support GPs to practice safely, adapted to meet local needs. Hubs would help manage demand across a number of practices and their respective patient lists, ensuring that patients in excess of safe working limits can still be seen by a GP or the wider primary care health team. They would also enable GP practices to achieve benefits from working collaboratively at scale, including: workforce development; flexible employment patterns; greater integration between primary and community care, with a range of services drawing on the wider healthcare workforce; and improved access for patients.