

## REPORT OF VMC PPG EVENT at the PPG Annual General Meeting

Topic: CHALLENGES FACING THE NHS (summary)

Time and place: 6.15 Thursday 28 February 2019, Group Room VMC

Speaker: Lord Kerslake, one-time head of the Home Civil Service and Chair of Kings College Hospital NHS Foundation, has been sitting as a crossbencher in the Lords since 2015. In December 2017 Lord Kerslake resigned as Chairman of Kings College Hospital Trust. In his public letter of resignation, he said that the NHS could not continue 'staggering along' under its current funding levels.

### "FUNDING and RESOURCING

The winter of 2017/18 was one of the worst winters in the history of the NHS. Chaos reigned because the Government was in denial of the problem and the NHS was slowly slipping away from our grasp. As a result, the Government offered to give an extra £20 billion a year to the NHS by 2023–24, with an increase every year of 3.4%. This is less than the average increase in the NHS since 1948 (the Kings Fund had said 4% was the minimum needed) but at least it was something.

In January 2019 the Government announced a 10-year Plan to overhaul the NHS and improve the quality of patient care and health outcomes. This was a welcome development to go alongside the funding commitments. There is a lot in the long-term plan.

1. There is a welcome boost for primary care and community services – health and care services linking the provision to the needs of the population, an 'integrated care system'.
2. The promise of big pushes, in particular in the areas of children's health, cancer, cardiovascular treatments and mental health.
3. And the promise of big improvements in the use of digital technology.

The question is: has that cracked the problem of NHS finance?

1. The long-term plan settlement does not cover: public health, training budgets for doctors and nurses or capital expenditure for modernising ageing facilities. There was no budget at King's for future improvements and no long-term investment plan. This is unfinished business.
2. Social care is not covered. Local Authorities are the main provider of social care and the boundaries are not clear. The truth is that local government is also struggling with budgets cut by one-third since 2010. Over half of local government money goes into adult and children's care. This is unfinished business.
3. The (local government) black hole will reach £8 billion by 2025 if we don't sort it out. And if we don't sort that out we won't sort out the care problem and if we don't sort out the care problem we won't sort out the health problem.
4. Of the 230 hospital trusts nearly half are in deficit. Their focus is on fixing the current problems not on promises for the future. So we have not yet cracked the funding of the NHS. The scale of the challenge is so great that the NHS and Social Care need a 'Dedicated Fund'. It needs more tax revenues, but people won't want to pay more tax unless it goes directly into the NHS.

STAFFING. Today vacancies stand at 100,000 – 8% of all NHS staff. We have a big staffing challenge – perhaps the biggest challenge, which is a particular challenge in London, and Brexit will make it worse. So why are the demands on the NHS going up? We are living longer but our health isn't matching it. For such a large number they are a huge cost. Our needs are growing and we rightly want the best possible care. The short answer is that we need to keep people healthier longer so we 'live longer and die fast'. The challenge is that staying in good health for longer is all about good housing, tackling poverty, the environment, mental health. Whatever we do, local government has a big job to do here by improving all the things that affect people's health. As a result of the falling away of local government budgets – and they are under severe pressure – we will pay the price in future.

#### PATIENT CARE AND PRIVATISATION

How much of the NHS budget is provided by the private sector? Answer – about 8%, far less than is generally assumed. Under the Labour Government's Health and Social Care Act of 2009/10 the NHS was opened up to 'any willing provider' and services became fragmented with the competition between a huge range of providers, often with disastrous and costly effects. Since then the interest in using the private sector to provide cheap and efficient services to the NHS has dipped. The Private Finance Initiative (PFI) has been stopped with nothing put in its place. Does that mean there is not a problem? No, the rules say that services must be offered out to tender. However, Chapter 7 of the new long-term plan proposes moving away from current requirements. My personal view is that it should be the choice of local government and the NHS working together at a local level in co-operation.

I am passionate about the importance of the NHS and its future. Most of the public are too and want it 'Free at the point of delivery'. What we have seen over the last few years has at least stopped the rot. Yes, the NHS could do better – join up better. But fundamentally unless we get the funding and the staffing it will continue to struggle."

In conclusion, Lord Kerslake emphasised that in the drive to keep people healthy longer, we have to look at the key determinants that make people healthy and legislate accordingly. To this end, he will shortly be leading a debate in the House of Lords 'Why are we not making progress on public health?'

END

Some questions and comments raised in the Question and Answer session

Q. The issue about disassociating the NHS from compulsory competitive tendering is a very important, but is the fact that the new long-term plan has been issued by the NHS and not the Government an attempt to avoid accountability?

A. The Government can never distance itself from the NHS. But in the light of a possible trade agreement between the UK and the USA the NHS is at risk under what is called 'plausible deniability'. We need to be vigilant about legislation in the light of the débacle of the Health and Social Care Act.

Q. On the question of the devolution of social care, how can we ensure a set of national standards?

A. The Government did away with the inspection of adult social care and there is a valid question about base standards. In health, care is free on delivery but in social care it is not. And it needs proper inspection. The biggest problem is that the current funding is inadequate. We need to sort the funding out first.

Q. On the question of option for funding the NHS, people in European countries continue to pay for their National Insurance if they continue to work after their official retirement. Surely we could do the same?

A. Yes indeed. When the NHS was set up in the 1950s life expectancy was much shorter – and many people did not even reach retirement age. The life expectancy of a woman was 72 years. Today it is 83 years and funding their NHS and retirement pensions is a massive cost.

Q. Why doesn't the NHS train enough people?

A. It has always been a challenge to get it right. The massive reorganisation of the 2012 Act fragmented the NHS and it lost the capacity to plan. And curtailment of budgets for training because of austerity also had an adverse effect. The planning process became the victim of political decisions.

END