

Parliamentary Briefing

NHS Funding Bill 2019-2020

February 2020

Background

The NHS Funding Bill commits the Secretary of State for Health and Social Care and the Treasury to increase funding for the NHS by £33.9 billion in cash terms by 2023/2024, with NHS England spending increasing to £148.5 billion by 2024. This is the first time that a multi-year funding settlement for the NHS has been enshrined in law. However, without specific commitments to fixing the crisis in social care and public health, spending on the NHS will be severely undermined.

Age UK's position

Age UK is pleased to see that the Government has provided a long-term funding settlement to the NHS to help meet the commitments laid out within the NHS Long-Term Plan.

Yet, in the face of a decade of NHS underfunding, we are concerned that the commitment falls short of what is needed to respond to an ageing population and drive up NHS standards. We are also concerned that the funding commitment is lower than anticipated. The commitment is being made in cash terms and was previously expected to represent a 3.4% rise by 2024 in real terms. However, as inflation is set to be higher than initially anticipated the increase is expected to stand lower at 3.3%. This is despite the fact that the King's Fund, Nuffield Trust, and Health Foundation, have all stated that an increase of at least 4% is required to modernise the NHS and improve standards.

Age UK has two key concerns for the NHS Funding Bill 2019-2020:

1. The first is that the Bill does not apply to the whole healthcare budget. NHS England does not operate in isolation and to improve the health of the population it is essential that new funding is accompanied by equivalent and sustainable investment in public health, social care, and capital. Failing to invest now will increase the strain on the NHS and store up problems for the future.
2. The second concern is that unless robust commitments are made with regards to investment in the workforce, the funding provided in this piece of legislation will be similarly undermined.

1. Prevention is better than cure

When it comes to improving population health, prevention is better than cure. Analysis by the Centre for Health Economics has found that spending on the Public Health Grant is up to four-times more cost effective than spending on the NHS. By investing in preventative services it is possible to decrease incidences of many common conditions which impact people in later life and reduce the burden on the NHS.

The broken social care system harms everyone, not just those with an unmet social care need. Delayed discharges from hospital due to a lack of social care costs our NHS an eye-watering £500 every minute. To help the NHS, the government must secure the immediate future of care by investing in the broken system to shore it up, and setting out a long term and sustainable solution.

- Falls account for the largest cause of hospital admission for older people, with nearly 1,000 older people admitted daily at an annual cost to the NHS of £2.3 billion. Yet falls prevention programmes can cut down hospital admissions caused by falls by a third and produce a financial return on investment of £3 for every £1 spent.
- There are also over 1.4 million older people in England experiencing loneliness, which has been shown to have the same impact on health as smoking 15 cigarettes a day. However, services such as befriending, and breaking down barriers to participation, such as poor transport and digital exclusion, can help to reduce loneliness.
- People who quit smoking after the age of 65 benefit from increased life-expectancy of 2-4 years, yet since 2014/15 funding for smoking cessation and tobacco control services has reduced by £85.1 million.

Snap Shot: Local authority funding for public health

Despite the importance of prevention, funding to local authorities for the Public Health Grant has been cut by £700 million in real terms between 2015/16 and 2019/20, putting essential services for older people at risk. Areas with the greatest need have been the worst hit. Cuts to the Public Health Grant have been six times larger in the poorest areas than in the wealthiest. Meanwhile, the most 10 deprived areas (out of 152) have shouldered 15% of the reductions to the Public Health Grant. These cuts risk exacerbating the difference in healthy life expectancy between people living in the most affluent and deprived areas, which already stands at 19 years. They also place the Government's Grand Challenge on Healthy Ageing, which aims to improve healthy life expectancy by five years and reduce health inequalities, at significant risk.

If we want to improve public health, investment in the NHS alone is insufficient – **the Government must provide sustainable funding to the Public Health Grant and should develop a comprehensive strategy which lays out how they will improve public health for older people.**

2. Workforce

It will additionally not be possible to fulfil the commitments laid out in the NHS Long-Term Plan, or make the most of new funding, without urgent investment in the workforce. One in 11 vacancies in the NHS are currently unfilled and last year £5.5 billion was spent on temporary staff to cover vacancies and other short term absences. If current trends continue there will be a shortfall of 250,000 staff by 2030.

Snap Shot: Impact of community nurse shortages on older people

Shortages of district and community nurses are particularly stark, with numbers falling since 2013/14. Community nurses play an essential role in older people’s healthcare, delivering acute, complex and end-of-life care, in addition to preventative services which help older people maintain independence. The Health Foundation has estimated that an additional 7,000 FTE nurses will be needed in community health by 2023/2024, yet a decline in students enrolling on nursing courses means we are moving in the wrong direction. Last year, 1,360 fewer people were accepted onto nursing courses than in 2016. Community nurse shortages have severe implications, including delayed discharges among older people and increases in hospital admissions and readmissions. Without nurses working in the community it will also not be possible for the NHS to move care away from hospitals.

The Government needs to urgently lay out its plans for addressing the recruitment and retention crisis in the NHS to ensure that there are a sufficient numbers of skilled staff to deliver on the Long-Term Plan.

Get in touch with us

If you have any questions or would like to meet to discuss how we can work together on this Bill please contact Robert Henderson, Senior Public Affairs Manager, at Robert.Henderson@ageuk.org.uk or 020 3033 135