1.1 About Sue Ryder

1.2 Founded in 1953, Sue Ryder provides incredible hospice and neurological care for people. Not only do we treat more conditions than any other UK charity in our hospices, neurological care centres and out in the community; we also campaign to improve the lives of people living with them.

1.3 The care which we provide is much more than the setting, as well as providing inpatient care in our seven hospices and five neurological centres, we also provide day services, hospice at home, domiciliary care, and community activities. Our care sits within the wider community and provides holistic care for all that need it.

2.1 Executive Summary

2.2 Sue Ryder will be submitting evidence as a health and social care provider and a national organisation campaigning for better outcomes for people at the end of life and with long term neurological conditions. As such, we will only comment on questions that we feel are pertinent to our work.

2.3 Sue Ryder was disappointed that there was not an explicit settlement for end of life care as part of the spending review. We also felt that the social care precept and plans for more investment in the Better Care Fund are a step in the right direction, but they will not go far enough in addressing the social care funding gap which is estimated to be £2.8-3.5bn by 2019/20.¹

2.4 Sue Ryder feels that the Comprehensive Spending Review will have the following impact on the future of health and social care.

- The Social Care precept and Better Care Fund will not solve the chronic funding issues in social care. The Better Care fund settlement should be front loaded to ensure that it can be used to tackle financial issues in social care as soon as possible.

- Backloading the 1.5bn Better Care Fund investment should be avoided as it would mean that the equalisation effect for local authorities in more deprived areas raising lower revenues from the social care precept would be lost.

- At present, the social care market is not vibrant and healthy, which presents risks for quality and threatens to undermine the implementation of the Care Act. A weak social care market also makes it harder for the social care system to ‘take the pressure off’ the NHS.

¹ The Spending Review: what does it mean for health and social care?, Joint briefing by Nuffield Trust, The Health Foundation and The King’s Fund, 2015 Link
• The latest market research suggests that local authority fee levels are not high enough to cover the cost to providers of delivering care. On average, each week, the local authority rate would be £152 lower than the base cost of delivering care. With lower funding levels provided by councils, providers are forced to squeeze their costs - for instance, by having as short care visits as possible, or by failing to invest in training. The introduction of the National Living Wage increases cost pressures already on providers. There is a risk of providers leaving the market to pursue better profits elsewhere. The latest market survey from LaingBuisson shows that for the first time since it started collecting figures in 1990, more older people’s care beds have closed than opened.²

• Cuts to public health will make it more difficult to deliver the Five Year Forward View’s preventative aims which represent a false economy for the NHS.

• The move to replace NHS Bursaries with loan repayments could have devastating impact on the nursing workforce, which in turn could have a knock on effect for the delivery of care and the Five Year Forward View.

• Cuts to the Department of Health administrative budget will have a detrimental knock-on effect for providers, as fees for regulation will have to be increasingly met by providers who are feeling financial strains. We are also concerned about potential cuts to the Department of Health funded Voluntary Sector Strategic Partners programme.

• Sue Ryder welcomes the Government’s commitment to integrate Health and Social Care. While the additional funding for the Better Care Fund is welcome, we do not feel this will go far enough to fully integrate Health and Social Care, especially as social care is facing a huge funding deficit. We are also concerned that the Government have not yet responded to the Choice Review which makes a number of policy recommendations for integrated health and social care for those at the end of life. We are also concerned that a national plan for evaluating the impact of ‘Devo Deals’ does not seem to be in place.

3.1 The Distribution of funding for Health and Social Care across the Spending Review Period

3.2 We welcome the additional £1.5bn that has been announced for the Better Care Fund in the Spending Review. Additional resource is sorely needed in social care and is to be welcomed as such. We are concerned, however, that the Better Care Fund cannot and should not be treated as a sticking plaster for addressing chronic and long term underfunding in social care.

² LaingBuisson, County Care Markets – Market Sustainability & The Care Act (Main Report). 2015, Quoted in ‘Despite deferment of the Care Act Part 2, councils still face significant market sustainability challenges’ Link
3.3 At present, these additional funds are scheduled to be allocated in 2017/18. However, the Better Care Fund should be front-loaded to ensure that it can play its role in addressing the financial difficulties faced by the sector as soon as possible.

3.4 This is firstly because the social care sector is under urgent financial pressure at the moment, due to a range of factors such as an ageing society and implementation of the National Living Wage. (These financial challenges are spelled out in more detail in section 5. below.) The Better Care Fund money will not solve the financial challenges faced by the social care sector, but it will help and will be much needed. The social care sector is not in a sufficiently robust position to be left without this additional funding for another financial year. As the Barker Commission’s recent letter highlighted, the five largest care home providers have warned that "many people in the sector foresee significant provider failure as likely within 12–24 months".³

3.5 Secondly, additional Better Care Fund money is a crucial mechanism for rectifying funding inequalities between councils that arise from the different amounts raised through the new 2% social care precept. Having a year without the Better Care Fund money means failing to ‘switch on’ this equalisation mechanism for a whole year. The most deprived areas will find it the most difficult to raise additional funding for social care through the new 2% precept that they can now add to council tax, so to ensure that the needs of people in these areas are met, it is crucial that there is some kind of harmonization of funding levels. The Better Care Fund represents an important tool to help achieve this.

4.1 The effect of cuts to non-NHS health budgets e.g public health, health education and Department of Health, and their impact on the Five Year Forward View

4.2 We are concerned that the cuts to Health Education, Public Health, and Department of Health budgets will have a detrimental effect on the implementation of the Five Year Forward View and ultimately for patient care in the future.

4.3 The Five Year Forward View launched a vision which stated that there is a need for a “radical upgrade in prevention and public health”⁴ Prevention is only possible if investment in public health is used to ensure that people take better care of themselves. Local authority public health budgets which have already seen in year cuts of £200 Million will see cuts of up to £600 million or a reduction of 3.9% on year.⁵ This represents a false economy as an ageing population will mean ever increasing strains on NHS and social care resources. The need to improve public health is urgent to avoid this.

4.4 Cuts to the health education budget specifically the proposals in the Comprehensive Spending Review to scrap bursaries and maintenance grants for student nurses passing on the cost of training to student nurses for the first time are concerning for Sue Ryder. It has been estimated that on average nurses stand to lose £900 a year under the new proposals⁶.

³ http://www.kingsfund.org.uk/publications/articles/statement-barker-commission
⁴ NHS England, Five Year Forward View, Chapter 2, p.9, Oct 2014 Link
⁵ The Spending Review: what does it mean for health and social care?, Joint briefing by Nuffield Trust, The Health Foundation and The King’s Fund, 2015 Link
⁶ Wes Streeting MP, Adjournment debate on NHS Bursary, 11th January 2016, Link
We fear that this could discourage potential nurses from entering the profession, at a time when we are seeing decreasing numbers of people entering the profession and an aging nursing workforce this could have huge implications for the Five Year Forward’s aim to deliver new models of care without a robust workforce.

4.5 We are also concerned that the 25% reduction in the administrative budget of the Department of Health will have a knock-on effect for providers such as Sue Ryder. For instance CQC, which has seen its grant from the Department of Health diminish, is currently consulting on a full-charge recovery model for fees from providers putting an added financial strain on organisations that are already facing increasing financial pressures. A recent statement from NHS providers estimated that “in 2016/17 the proposed increase would be equivalent to every NHS provider losing one senior nurse on the four year trajectory to full cost recovery, or two senior nurses, in the case of the two-year trajectory”

4.6 We are also concerned about the impact of the Department of Health administrative budget on Voluntary and Community Sector funding such as the Voluntary Sector Strategic Partnership. This programme is currently under threat which will mean that the VCS sector will be less represented in driving innovative policy solutions in health and social care. This is a threat to equality and robust policy making where VCS organisations have a key role.

5.1 Social care funding, including implications for quality and access to services, provider funding exit mechanisms, increasing costs and the Care Act Provisions.

5.2 At present, the social care market is not vibrant and healthy. In many areas, individuals are not presented with a meaningful choice among different high quality providers of care. Choosing among a few ‘cut price’ or ‘low quality’ provider options is not a meaningful choice, and cannot be expected to deliver personalised care. Such a provider market also makes it harder to implement the Care Act’s aspirations as such a system cannot deliver choice and wellbeing. A weak social care market also makes it harder for the social care system to ‘take the pressure off’ the NHS.

5.3 There is an estimated £2.8 billion to £3.5 billion funding ‘gap’ for social care. This is driven by the need for services outstripping funding available for social care. This has an impact on the health of the provider market. With lower funding levels provided by councils, providers are incentivised to squeeze their costs - for instance, by not increasing staff pay or by having as short care visits as possible.

5.4 With local councils offering lower levels of fees for care, providers are increasingly reliant on cross subsidising their business through private-pay individuals. Recent market analysis by LaingBuisson shows that without such individuals providing this cross-subsidy, the provider market would collapse. Local authority fee levels are simply not high enough to cover the cost to providers of delivering care - this market research found that on average, each week, the local authority rate would be £152 lower than the base cost of delivering care.

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7 NHS Providers, Press Release on CQC fees consultation, Link
8 The Spending Review: what does it mean for health and social care?, Joint briefing by Nuffield Trust, The Health Foundation and The King’s Fund, 2015 Link
5.4 With lower funding levels provided by councils there are lower levels of profit to be made. This can lead to providers simply leaving the market to find a better return on investment in another sector. The latest market survey from LaingBuisson shows that for the first time since it started collecting figures in 1990; more older people’s care beds have closed than opened, choosing not to bid for more work.

5.5 The Local Government Association’s stock take of implementation of the Care Act highlighted concerns about market sustainability. In extreme cases, providers may go bust or ‘fail’, leaving people potentially ‘stranded’ without an organisation to provider them care. An alternative scenario that would be less dramatic, but also extremely troubling, would be that providers simply exit the market in a piecemeal fashion as and when their contracts expire.

5.6 The Barker Commission’s recent letter noted that “three of the larger providers have already withdrawn or signalled their intention to withdraw from publicly funded home care, and in a joint letter to George Osborne the five largest say: ‘Our words are chosen carefully but we see an approaching shortfall of tens of thousands of places for older people as aged care providers – both large and small – cease their operations.’”

6.1 Impact of the Spending Review on the Integration of Health and Social Care;

6.2 Sue Ryder welcomes the Government’s commitment to fully integrate Health and Social Care by the end of the current Parliament. We believe this to be a positive step for the future of a Health and Social Care system that will have ever increasing pressures, as the population ages and people will live longer with an increasing amount of long-term conditions that will require a health and social care interventions.

6.3 Sue Ryder welcomed the announcement of an extra 1.5bn of new money for the Better Care Fund for Health and Social Care integration. However Social Care is facing a huge funding gap, estimated at £2.8-3.5bn by 2019/20. This doesn’t take into account the National Living Wage with the LGA estimating this at £1 Billion. The £1.5 Billion investment in the BCF being backloaded until 2017/18 will ensure that a huge shortfall remains. We feel that this may undermine efforts to bring together Health and Social Care effectively.

6.4 Sue Ryder are also concerned that the Government have not yet responded to the Review of Choice at the End of Life yet, and that we did not see a settlement for end of life care as part of the spending review. The Choice Review made a number of policy recommendations for fully integrated health and social care for people reaching the end of their lives i. The report called for an initial £400 million investment, and after efficiency savings an annual investment of £130 million, with £100 Million will be earmarked for social

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9 LaingBuisson, County Care Markets – Market Sustainability & The Care Act (Main Report). 2015, Quoted in ‘Despite deferment of the Care Act Part 2, councils still face significant market sustainability challenges’ Link
10 Letter from the Barker Commission, Link
11 The Spending Review: what does it mean for health and social care?, Joint briefing by Nuffield Trust, The Health Foundation and The King’s Fund, 2015 Link
12 Local Government Association, National living wage to cost councils £1 billion a year by 2020/21, Link
care and £30 Million for healthcare. Coordinating care for people at the end of life is crucial for choice and quality care those at the end of life and this money is needed to fund this for everyone that needs it. Consensus has grown around the need and urgency to address the lack of choice and quality in end of life care, and it is widely accepted that if more people are treated in the community settings, then savings can be made within the acute sector.\textsuperscript{13}

6.5 Sue Ryder broadly welcomes the Government's aims to devolve more powers to local areas through devolution deals and the Cities and Devolution Bill. We were pleased to see amendments tabled by the Government which retained the regulatory functions of national organisations such as Monitor and CQC as well as ultimate responsibility remaining with the Secretary of State for Health. Sue Ryder feels that joint commissioning within local health economies will be an effective tool for bringing health and social care together. But in practice, this will only become apparent once Devo Manc and other pilot areas are evaluated properly. We are concerned that national evaluations of such programmes do not seem to be planned,

22 January 2016

\textsuperscript{13} Marie Curie, The Impact of Marie Curie Nursing Service on place of Death and hospital use at the end of life, 2012