Written evidence submitted by UNISON (CSR0046)

Executive summary

- While the headline decision to front-load NHS funding was preferable to leaving increases until later in the Parliament, this still represents a relatively meagre settlement for the NHS, particularly compared to previous decades and to other countries.
- In addition, the extent of efficiency savings, increased employer national insurance contributions, the new apprenticeship levy, and particularly cuts to social care are set to undermine the increases.
- There is little left to cut in terms of efficiency savings in the NHS and staff salaries can be frozen no more. There are increasing reports of damaging cuts and open rationing of NHS services, and UNISON has particular concerns about the potential of the Carter review to force trusts into short-term cost-cutting measures, such as outsourcing vital support services.
- It is a matter of regret that much of the money earmarked for transformation as part of the Five Year Forward View needs to be diverted away to tackling the spiralling provider deficit in the NHS.
- The most recent deficit figures represent a considerable deterioration from the previous year, with financial problems now seen as endemic across the NHS.
- While NHS England spending may have been protected, the wider Department for Health budget has been slashed, with harsh settlements for bodies such as Health Education England and the Care Quality Commission. Cuts to public health spending are likely to prove highly counter-productive.
- Of huge concern is the government proposal to scrap the NHS bursary for training nurses, midwives and allied health professionals. UNISON modelling projects that by 2020 some graduates could be saddled with debts of more than £50,000. Ending the bursary system will also fail to tackle shortages; there has been no proper consideration of the impact on patient safety and care delivery; and uncoupling education commissioning and workforce planning represents a risk to the ability of the NHS to plan for future workforce requirements. UNISON is calling on the government to at the very least pause and consult on the substantive elements of this proposal.
- The social care precept will be insufficient to solve the current care crisis and could exacerbate existing inequalities. There are expectations of care home closures and UNISON research shows how dire the situation is in homecare.
- The Spending Review is unlikely to have a major impact on the integration of health and social care, with plans to extend the Better Care Fund under-resourced in the short-term.
- Plans to redesign healthcare services or move to new approaches, such as 7 day services, will only be successful with proper levels of upfront funding. Attempts to make significant moves on the cheap are likely to falter and to create suspicion amongst the workforce. This includes threats to the unsocial hours' payments NHS staff get for working nights and weekends, which have helped many health staff make ends meet during the government's ongoing pay freeze.
- There remains the potential for a return to industrial dispute within the ambulance sector over the failure of the government to fund a settlement offered as part of the 2015/16 pay round, with particular issues around the recruitment and retention of paramedics.
- Extra funding for mental health is welcome, but none of this new money will be forthcoming until the mental health taskforce has reported and there has been little in recent months to suggest the government has done enough to defend mental health services at a time of austerity.

Introduction

1. UNISON is the major trade union in health and social care and the largest public service union in the UK. We represent more than 450,000 healthcare staff employed in the NHS, and by
private contractors, the voluntary sector and general practitioners. In addition, UNISON represents over 300,000 members in social care. The union’s community and voluntary sector has an expanding membership of more than 60,000 and UNISON has a large retired membership of more than 165,000 with a particular interest in the future of health and social care. In addition, there is a wider interest among our total membership of more than 1.3 million people who use, or have family members who use, health and social care services. This submission is structured around the terms of reference suggested by the inquiry and UNISON would welcome the opportunity to give oral evidence to the Committee.

The distribution of funding for health and social care across the spending review period

2. As social care funding features later in the Committee’s terms of reference, our submission focuses on health funding in this section. By the time of the Comprehensive Spending Review (CSR) it was clear the NHS was in dire need of extra funding, in both the short and longer term. NHS England data from November 2015 showed the NHS missing many of its key targets – such as those for A&E, access to cancer treatment, diagnostic tests and ambulance response times – at the same time as trusts struggled to move patients out of hospital when they were ready to leave.¹ The latest figures show the situation has not improved since then.²

3. So George Osborne’s headline decision to front-load a significant slice of the promised extra £8bn for the NHS in England was certainly preferable to leaving these increases until later in the Parliament. However, this extra money needs to be put in context. As the Health Foundation have pointed out, the total health budget is rising by £4.5bn in real terms up to 2020, an increase of less than 1% a year above inflation – this means real terms health spending per person will be around the same in 2020 as it was in 2010, despite the pressures exerted on the system by an ageing population and the costs of new technologies and treatments. The CSR means that the share of GDP going on healthcare will be just 6.7% in 2020-21, down from an already very low figure of 7.3% this financial year.³ Parliamentary figures show the NHS funding settlement during the last Parliament was the most austere in its history, with funding growing by just 0.9% over the last five years,⁴ and this figure is set to be the average yearly increase for the whole of the 2009/10 – 2020/21 period.⁵ When this is placed in the international context, the picture is even bleaker with the UK having fallen behind the OECD average for health expenditure and spending less than the likes of Iceland, Slovenia and Finland.⁶ Health economists have pointed out how the UK has fallen further behind other European countries, and is now ranked 13th out of the original 15 EU countries.⁷

4. As other sections of this submission point out, the impact of the extra money is further lessened when considered alongside the assumptions of eye-watering efficiency savings and the fact that it is only the NHS England part of the health budget that has benefited. There are further question marks about whether £1.1bn of the additional money for 2016-17 will need to be clawed back to pay for increased employer national insurance contributions from April 2016 as a result of the introduction of the single state pension.⁸ In addition, the new apprenticeship

¹ “NHS pressure worsens as key targets missed”, 12 November 2015, www.bbc.co.uk/news/health-34790100
⁸ The Times, “Osborne’s pension raid will cost £1bn, health chiefs warn”, 16 November 2015,
levy is set to apply to NHS organisations and expected to take out £250m from the NHS in 2017, an amount which is unlikely to be recouped in full under current apprenticeship arrangements.

5. Although social care itself is considered below, it is worth pointing out the detrimental impact on the NHS of the ongoing under-funding of the sector. For example, record numbers of patients are getting stuck in English hospitals despite being fit to leave: figures published in January 2016 show the number of pensioners taking up hospital beds when they should be at home or in a care home has increased by over 15% in the last year, with 153,000 days of delays in November 2015 contributing to a running 2015 total of 1.59 million days lost in this way – larger than any previous year. And the Respublica think tank predicts additional costs of up to £3bn for the NHS as a result of the loss of social care beds. It is little surprise therefore that a number of clinical commissioning groups have begun calling for NHS funding allocations to take account of social care cuts.

6. The terms of reference for this inquiry are focused largely on the impact of the CSR for England, but it is also worth noting the impact on the rest of the UK. Although health is a devolved issue, the Chancellor has cut the grants for day-to-day spending by the devolved administrations. The Scotland and Northern Ireland settlements both received a 1.3% cut, with Wales facing a 1.1% reduction. This is bound to impact negatively on the ability of the devolved administrations to deliver the desired quality and range of healthcare services.

Achieving efficiency savings: their source, scale and impact

7. A further reason to doubt the impact of the extra spending on the NHS is the £22bn of so-called “efficiency savings” which the service is expected to make, but which no one in the NHS seems to think is achievable. The vast majority of savings over the last Parliament were made by freezing staff salaries and squeezing the tariff for the amount paid to hospitals for procedures, but neither of these is a sustainable option for the future. For example, the original Five Year Forward View (FYFV) document stated that “as the economy returns to growth, NHS pay will need to stay broadly in line with private sector wages in order to recruit and retain frontline staff”.

8. It is becoming increasingly clear that there is little obvious left to cut in the NHS. The National Audit Office has pointed out that it is getting harder for trusts to make efficiency savings, with a 7% reduction in planned efficiencies made in 2014-15 compared to the previous financial year. In line with this, the new chief executive of NHS Improvement has backed calls for a more realistic target for savings.
9. UNISON is particularly concerned about the potential impact of the Carter review, with the latest NHS Mandate putting this at the centre of a £1.3bn efficiency push in the next financial year. With the *Health Service Journal* reporting that ten trusts have so far received efficiency estimates from Lord Carter of 5-10% of turnover\(^\text{17}\), the fear is that trusts may increasingly be tempted to look at short-term cost-cutting measures, such as outsourcing their support services, with potentially damaging consequences for both patients and staff.

10. The impact of efficiency savings so far can be seen very clearly in the increasing number of reports of damaging cuts and the open rationing of NHS services. For instance, three-quarters of doctors say they have seen care rationed over the past year\(^\text{18}\) and 85% of GPs have said that further efficiency savings will be impossible without cutting patient services.\(^\text{19}\) There have already been high-profile cases of CCGs looking to restrict vasectomies and hearing aids\(^\text{20}\), or aiming to cease providing routine operations for people who are obese or who smoke.\(^\text{21}\)

**Achieving service transformation set out in the Five Year Forward View at scale and pace through transformation funds**

11. UNISON has often pointed to the need to provide upfront investment when moving to new models of care to allow for items such as double-running costs or staff redeployment and retraining when establishing new systems. So it is a matter of regret that much of the money earmarked for transformation as part of the FYFV needs to be diverted away to tackling the spiralling provider deficit.

12. The National Audit Office stated that new models of care will require “significant upfront investment” but has warned that the “money available for this is reducing as the number of trusts in deficit increases”.\(^\text{22}\) And so it proved when NHS England announced that of the £2.1bn it has set aside as a “sustainability and transformation fund”, the vast majority (£1.8bn) will be used to pay off deficits, leaving only £340m available for investment in the “vanguards” and new models of care proposed as part of the FYFV.\(^\text{23}\)

13. Although the fund will grow to £3.4bn by 2020-21, with a greater proportion promised to be spent on transformation from 2017-18, there is a consensus across the sector that more money is needed to deal with transformation. For example, think tanks have called for a dedicated transformation fund of at least £1.5bn a year until 2020-21 to test and roll out new care models.\(^\text{24}\)

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**The impact and management of deficits in the NHS and social care**


\(^{22}\) National Audit Office, 16 December 2015, cited above


14. The impact of deficits on transformation in the NHS has been tackled above and the situation in social care is tackled below. However, the sheer extent of the financial problems in the NHS is worth stating in itself, with English providers posting a £1.6bn combined deficit for the first half of 2015-16 and forecasting a £2.2bn deficit by the year end.\(^{25}\) This represents a considerable deterioration from the previous year and is unprecedented by recent NHS standards. With over three-quarters of trusts overspent at the half-year mark, the National Audit Office has described the service’s financial problems as “endemic”.\(^{26}\) Plans for NHS Improvement to have brought the provider sector back into balance in 2016-17 therefore seem particularly challenging.

15. The impact of the deficits was acutely felt in the first week of 2016 as hospitals across the country were forced to issue “black alerts” due to the immense pressure they were under, meaning that some had to turn patients away and others cancelled clinics or planned operations.\(^{27}\)

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

16. While NHS England spending may have been protected, the wider Department for Health budget has been cut by 25%, which will mean less money for public health and the operation of arm’s length bodies such as Health Education England (HEE) and the Care Quality Commission (CQC). The capital budget will be frozen in cash terms over the five years of the spending review period too. In the words of the Health Foundation, “the Spending Review has substantially redefined and shrunk the scope of NHS services to be protected from reductions in spending”.\(^{28}\)

17. The CQC has had its government grant cut by 25% over four years\(^{29}\) and public health spending will be cut by 4% a year in real terms. This is likely to prove highly counter-productive, as a failure to tackle issues such as obesity and sexual ill health stores up future costs for the wider NHS. There are already warnings that cuts to sexual health services will lead to an “explosion” in infections.\(^{30}\)

18. Of huge concern to UNISON is the fact that the £1.2 billion which HEE currently provides for nursing, midwifery and AHP training bursaries and tuition fees will be taken out of their budget. So, as of September 2017, the NHS bursary is effectively scrapped, with student loans required by students for tuition fees. UNISON modelling, based on the continuation of pay restraint and the use of tuition fees and loans from 2017, projects that by 2020 some graduates could find themselves saddled with debts of more than £50,000.

19. A full joint trade union briefing on government plans for the NHS bursary (prepared in advance of a January 2016 Westminster Hall debate) is attached as an appendix to this response\(^{31}\), and

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26 National Audit Office, 16 December 2015, cited above


28 “Health Foundation responds to government’s spending review”, 25 November 2015, cited above

29 Health Service Journal, “CQC to have government grant cut by a quarter”, 6 January 2016, www.hsj.co.uk/newsletter/topics/policy-and-regulation/cqc-to-have-government-grant-cut-by-a-quarter/7001390.article


31 Not published here. Available at https://www.unison.org.uk/content/uploads/2016/01/NHS-bursary-debate-briefing-
UNISON would particularly welcome the opportunity to give oral evidence on this issue. In addition to concerns around student debt, the union’s chief objections to this proposal include: the fact that it will fail to tackle the severe shortage of registered nurses; that there has been a lack of proper consideration for the impact such a move will have on patient safety and care delivery; and that the uncoupling of education commissioning and workforce planning represents a serious risk to the future ability of the NHS to assess and best plan for future workforce requirements. In common with many other trade unions and professional bodies, UNISON is therefore calling on the government to pause before rushing through such significant changes, and to consult properly on the substantive content of the proposals rather than merely their implementation.

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

20. There is now a growing consensus about the current crisis in social care funding. Since 2010 adult social care has received a real terms funding cut of 9% and there are now 400,000 fewer older people getting the paid-for care that they need. By the time of the CSR, we had reached a shocking state of affairs in which spending on social care as a percentage of GDP was set to be barely more than a half of one per cent by 2020/21. The CSR has attempted to address this with councils in England now allowed to add an extra 2% to annual council tax bills to raise extra money to pay for adult social care. The measures are inadequate though: far from the government’s projected figure of £2bn a year by 2020, think tanks predict the proposal will raise a figure closer to £800m, which contrasts sharply with a funding gap expected to be around £3bn a year by 2020. Janet Morrison, Independent Age CEO, said councils would need the power to raise council tax by more than 10% to plug the social care funding gap.

21. The care sector has warned that care homes were bound to close now, putting more pressure on the NHS, and that the sector faces financial meltdown. Since the CSR, analysts Laing-Buisson have pointed to a “real and imminent danger” of a care home bed capacity crisis, with the sector closing more beds than it is opening for the first time since 2005, with a net loss of 3,000 across the UK last year.

22. The situation is also dire in homecare. A forthcoming UNISON report, Suffering Alone at Home, points out the lack of time homecare workers are given to provide dignified care for the elderly and disabled. It found that the vast majority of councils in England are still commissioning 15 minute homecare visits, in direct contravention of recently released NICE guidelines, with more than half of homecare workers saying that they had been given 15 minutes or less to deliver personal care for homecare users, and the vast majority believing they do not have enough time to provide dignified care for their homecare users.

23. Although it has been announced that poorer councils will get more Better Care Fund (BCF) money, the precept plan seems set to intensify inequalities in social care provision. There are

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already major problems with much of the north of England having seen bigger cuts to adult social care spending than other regions in recent years. And now local authorities with high levels of council tax income could potentially increase their social care spending by up to four times as much as more grant-reliant authorities through the precept.

Impact of the spending review on the integration of health and social care

24. With integration having been a central part of various government narratives on health and social care for a number of years, it seems unlikely that the CSR will have a major impact on integration. As outlined above, the fact that money intended for transformation has had to be diverted to paying down deficits will not aid those many FYFV initiatives that are based on improving integration.

25. The CSR has confirmed the continuation of the BCF with £1.5bn of extra money and plans for all parts of the country to fully integrate services by 2020. However, only £700m of this is new money with the rest coming from the “new homes bonus” and it seems that the bulk of this funding will be held back until the second half of the current Parliament, with the BCF frozen in real terms in 2016-17 and apparently worth just £100m in 2017-18. The County Councils Network has called on the government to “front-load BCF with additional funding from 2017/18 in a similar manner to NHS funding”.

26. With the advent of new care models under the FYFV, and the CSR highlighting other approaches such as “Devo Manc”, it also seems that the BCF will increasingly take a back seat in the development of integration, with areas encouraged to graduate from it to other ways of working if they can demonstrate success. There are wider concerns about the potential success of the BCF, with council and NHS commissioners reporting that plans to improve the performance of local systems through integration are likely to fail in 80% of English areas. And in Cornwall there are reports that local BCF plans have actually led to an increase in delayed discharges from hospital, rather than reducing them as they were designed to.

Quality and access in health and social care including the cost and implications of new policy objectives such as 7 day services

27. Given the tight funding settlements referred to above, commentators have pointed out that there is real doubt about even maintaining the current range of health services until 2020, “let alone any extras such as seven-day services and the aspirations of the Five Year Forward View”. And UNISON is firmly of the belief that local plans to redesign healthcare services or national moves to experiment with new approaches, such as 7 day services, will only be

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38 Health Service Journal, “Poorer councils to get more better care fund cash”, 17 December 2015, www.hsj.co.uk/topics/integration/poorer-councils-to-get-more-better-care-fund-cash/7001207.article
39 Health Service Journal, “Which areas have seen the biggest social care spending cuts?”, 23 November 2015, www.hsj.co.uk/newsletter/sectors/commissioning/analysis-which-areas-have-seen-the-biggest-social-care-spending-cuts/7000405.article
41 Health Service Journal, “Extra BCF cash worth £100m in first year”, 7 December 2015, www.hsj.co.uk/newsletter/topics/integration/extra-bcf-cash-worth-100m-in-first-year/7000899.article
45 "Health Foundation responds to government’s spending review", 25 November 2015, cited above
successful with proper levels of upfront funding. Any attempts to make significant moves on the cheap are likely to falter and to create suspicion amongst the workforce that they are merely a cover for cuts.

28. The junior doctors’ dispute is one such example, and other NHS staff want to avoid any bigger confrontations over threats to the unsocial hours’ payments they get for working nights and weekends. Working additional shifts has helped many health staff make ends meet during the government’s ongoing pay freeze.

29. There also remains the potential for a return to industrial dispute within the ambulance sector over the failure of the government to fund a settlement offered as part of the 2015/16 pay round. The expectation is that ambulance employers will fund local solutions to a national problem involving a recruitment and retention crisis amongst paramedics.46

Progress on achieving parity of esteem through funding for mental health services

30. Parity of esteem for mental health is a policy that UNISON supports and the extra £600m for mental health as a result of the CSR is welcome. However, there are real question marks over whether this will be enough to reverse the decades-long trend of mental health being seen as a Cinderella service, and the prime minister confirmed in January 2016 that none of this new money will be forthcoming until NHS England’s mental health taskforce has reported.47

31. Certainly since 2010 there has been little to suggest that successive governments have done enough to defend mental health services with evidence suggesting that funding has actually decreased for mental health services in the current financial year.48 There are alarmingly high bed occupancy rates, with figures showing occupancy at its highest level for at least five years.49 There has been an expansion in the number of patients having to travel large distances for care with “out of area placements” growing by nearly a quarter in the previous financial year.50 There is also now the worrying spectacle of mental health services turning children away from care.51

22 February 2016

48 “Ministers accused of failing to keep mental health pledge”, 23 August 2015, www.bbc.co.uk/news/health-34017915
49 Community Care, “Rise in mental health bed occupancy”, 4 June 2015, www.communitycare.co.uk/2015/06/04/rise-mental-health-bed-occupancy/
50 Community Care, “Mental health patients sent hundreds of miles for beds as out of area placements rise 23 per cent”, 15 July 2015, www.communitycare.co.uk/2015/07/15/mental-health-patients-sent-hundreds-miles-beds-area-placements-rise-23-per-cent/