BMA submission to the Public Accounts Committee ahead of the evidence session on the Department of Health Accounts

About the BMA
The British Medical Association (BMA) is a voluntary 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 welcomes the upcoming Public Accounts Committee (PAC) evidence session on the Department of Health accounts. We hope that as part of its evidence session the Committee will raise our ongoing concerns regarding the existing funding allocation for the NHS. Key points included in this submission:

- The UK is spending significantly less than other leading European economies on health\(^1\). It should increase the percentage of GDP it spends on health to the average of other leading European economies from 9.8% to 10.4%\(^1\).
- The BMA supports calls for short term injections of funds to alleviate NHS pressures over the winter period, such as that made by NHS Providers for funding of £200 and £350 million\(^iii\). However, pressures in the health service are felt year round and we need an increased funding settlement to support service provision in the face of increased demand.
- In England, a social care funding gap of £2 billion has been predicted for 2017/18, rising to £4 billion by 2020/21\(^iv\). This must be addressed to ensure the vulnerable in our society receive the care they deserve and also to avoid adding further pressures onto the NHS.
- General practice has seen its share of funding decline steadily and unfortunately the GP Forward View (GPFV) is not currently on track to deliver the full potential of its funding commitments. The Government must commit 11% of England’s NHS budget to general practice, up from the current 7.9% level, to ensure quality and safety levels can be maintained.
- A disproportionately small amount of the NHS budget is spent on mental health (11% in England), even though mental health problems are the single largest source of burden of disease in the UK (23%). The BMA is, therefore, calling for greater investment in mental health to deliver the government’s aim of achieving parity of esteem with physical health care.
- Sustainable Transformation Partnerships (STPs) are being used as a vehicle for further NHS funding cuts. The BMA has estimated that around £9.5 billion of additional capital spending will be required to fund STP plans.
- The UK’s decision to leave the EU may result in a domestic economic downturn, reducing public spending in general and leading to, potentially, further reductions in the level of funding available to the NHS.

1. Overview of overall spending
1.1 The BMA and its membership are deeply concerned by the current pressures facing the NHS, which are resulting in ever expanding workloads and increased pressure for clinical staff, while simultaneously impacting upon patient access to healthcare and safety. We are particularly concerned that:
• The Government’s target to ensure at least 95% of patients are seen in A&E within four hours has now not been met for 25 consecutive months, with the proportion of patients being seen in this time falling from an average of 96.6% in 2011/12 to under 90%, this year\(^v\).
• The government’s target to carry out at least 92% of non-urgent operations within 18 weeks has not been met now for 16 consecutive months, and the number of patients waiting for treatment has risen from an average of 2.5 million in 2011/12 to an average of 3.8 million so far, this year\(^vi\).
• The proportion of patients waiting two weeks or more for a GP appointment has risen from 12.8% in 2012 to 20% in 2017\(^vii\).

1.2 While the BMA has welcomed recent government NHS spending announcements, including NHS England’s pledge to increase general practice investment, current investment is inadequate. The UK is spending significantly less on health than other comparable European nations as a share of its GDP and subsequent funding pressures, from this underinvestment, are having a direct impact on the service the NHS can provide to patients. The BMA is calling for an increase in overall UK health spending to match that of the leading European economies. Such an investment would mean the UK spending 10.4%, rather than 9.8%, of its GDP on health\(^i\). In England this would mean spending £131 billion on health in 2017/18, rising to £143.1 billion in 2022/23. This creates an effective funding gap of £7.3 billion this year (2017/18). In five years’ time the NHS in England would be £14.6 billion better off if it spent a share of 10.4% of its GDP on health\(^viii\).

1.3 Failures within the social care system are also impacting negatively on an already stretched and underfunded NHS. In England, a social care funding gap of £2 billion has been predicted for 2017/18, rising to £4 billion by 2020/21\(^ix\). Social care must be available free at the point of use for those that need it and current funding gaps must be filled, to better meet the needs of often vulnerable people and to avoid putting further pressure onto the NHS.

2. Primary care
2.1 General practice has seen its share of funding decline steadily and unfortunately the GP Forward View (GPFV) is not currently on track to deliver the full potential of its funding commitments. Although the pledge of a minimum funding uplift of £12 billion by 2020/21, through core recurrent funding, appears to be on track, it is disappointing that so far little or no discernible progress has been made over the last year in leveraging additional investment from the rest of the system through clinical commissioning groups (CCGs) and sustainability and transformation funds. It is, therefore, crucial that NHS Digital publishes a detailed breakdown of what the GPFV funding has been delivered as part of its investment in general practice data for 2016/17 to ensure there is greater visibility over what funding is reaching GPs on the frontline.

2.2 With nine out of ten GPs reporting that their workload is unmanageable\(^x\) there is now a very tangible risk that workload pressures will impact on patient safety. Government must commit 11% of England’s NHS budget to general practice, up from the current 7.9% level, to ensure quality and safety levels can be maintained. Current investment falls £3.7 billion short of the BMA’s target of 11%. Furthermore, the proportion of the NHS budget going to general practice, excluding the reimbursement of drugs, has actually fallen from 9.6% in 2005/06 to 7.9% in 2016/17\(^xi\). Ongoing underinvestment in general practice is having a damaging impact on quality of service and patient safety.
3. **Secondary care and winter pressures**

3.1 It is vital that in future, secondary care is not pressured to make unachievable savings. In particular, the 2% efficiency factor set by the national tariff in England, the nationally set pricing structure for NHS services, is unrealistic given the savings that have already been made, the average rate of improvement in productivity in the wider economy and the local deficits that already exist.

3.2 At the end of 2016 the provider deficit in England was £791 million, higher than the predicted £508 million, and the Nuffield Trust has assessed the true underlying deficit to be closer to £3.7 billion\(^\text{xvi}\). In this environment asking for further savings is potentially damaging for the sustainability of services, staff morale and patient outcomes. Furthermore, NHS Providers has recently called for a short term injection of funding of between £200 and £350 million to address so called winter pressures and enable the NHS to manage patient safety at a time of increased demand over the coming months\(^\text{xvi}\). Such investment would be welcome, but the pressures being felt across the NHS are all year around, a new funding settlement which allows for the NHS to manage in the face of unprecedented demand must be made.

4. **Mental health**

4.1 The BMA is a long time campaigner for parity of esteem between mental and physical health provision and we are concerned that a disproportionately small amount of the NHS budget is spent on mental health (11% in England). This is despite the fact that mental health problems are the single largest source of burden of disease in the UK (23%).\(^\text{xiv}\) Given that poor mental health carries an economic and social cost of £105 billion a year in England\(^\text{xv}\) and people with a severe and prolonged mental health problem are also at risk of dying on average 15 to 20 years earlier than those without, this level of support funding and provision is unacceptable.

4.2 To access psychological therapies, many patients currently have to wait over three months. There is also a lack of 24/7 access to care for those facing a mental health crisis (‘crisis care’). Due to cuts in mental health beds, and many wards operating above their recommended occupancy rate of 85%,\(^\text{xvi}\) patients are often having to travel far from their usual local network of services to access an acute bed. We believe that this situation must be addressed through providing sufficient resource to:

- Eliminate out of area placements
- Provide timely access to early intervention in psychosis’ services
- Implement comprehensive provision of evidence-based specialist perinatal mental health services
- Assess and manage the physical health needs of people living with severe mental health problems
- Provide routine access to evidence-based psychological therapies for adults with anxiety and depression
- Ensure comprehensive provision of child and adolescent mental health services.

5. **STPs and new models of care**

5.1 The 44 English local NHS transformation plans have been charged by Government with delivering a clinically sustainable health service that will address existing deficits. However, without adequate investment this approach is not realistic. We, along with other commentators like the Nuffield Trust and NHS Providers, are concerned that Sustainable Transformation Partnerships (STPs) appear to have been used to plug provider deficits rather than deliver the system change they were created to deliver. Vanguard scheme funding will also end next year, which we fear will lead to local areas being expected to develop new models of care without
new funding to make this possible. The BMA has estimated that around £9.5 billion of additional capital spending will be required to fund STP plans.

6. Brexit

6.1 The Department of Health admitted in 2016 that the ‘UK economy is experiencing some turbulence following the decision to leave the EU’ stating in its evidence to the Doctors and Dentists Review Body that ‘following the outcome of the EU referendum, the UK economy is entering a new phase which will pose new challenges to the public finances’\textsuperscript{xvi}. If these predictions regarding an economic downturn are proved to be correct and assuming the UK does not stay within the EEA as recently announced by Theresa May, this could mean a shortfall caused by the domestic economic downturn and consequent loss of income is predicted as high as £28 billion, equivalent to £540 million a week. Furthermore, given the weak tax receipts reported in the UK, which will slow efforts to reduce deficits, and the fall in sterling, which will have a significant effect on the cost of medicines and other health products, the outlook for NHS finances following the UK’s decision to leave the EU is deeply alarming. We believe that to mitigate against this risk, government should demonstrate that it is taking account of this in its future NHS financial planning.

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\textsuperscript{1} Leading EU economies were identified using GDP per capita as a proxy for the level of development: Germany; France; Belgium; Denmark; Austria; Netherlands; Ireland; Italy; Sweden and Finland


\textsuperscript{3} NHS Providers: (3 September 2017) Patient safety will be risked this winter without immediate funding and capacity boost for the NHS

\textsuperscript{4} The King’s Fund (2017) Adult social care spending

\textsuperscript{5} NHS England (2017) Monthly A&E Attendances and Emergency Admissions

\textsuperscript{6} NHS England (2017) Consultant-led Referral to Treatment Waiting Times

\textsuperscript{7} NHS England/Ipsos Mori (July 2017) GP Patient Survey

\textsuperscript{8} British Medical Association (2017) \textit{What does the future hold for NHS funding?}

\textsuperscript{9} The King’s Fund (2017) Adult social care spending

\textsuperscript{10} British Medical Association (2 December 2016) Patient safety under threat from pressures in General Practice

\textsuperscript{11} BMA (20 September 2017) Investment in general practice in England

\textsuperscript{12} Nuffield Trust (13 August 2017) The NHS deficit is here to stay

\textsuperscript{13} NHS Providers: (3 September 2017) Patient safety will be risked this winter without immediate funding and capacity boost for the NHS

\textsuperscript{14} www.kingsfund.org.uk/projects/verdict/has-government-put-mental-health-equal-footing-physical-health

\textsuperscript{15} Mental Health Foundation (2010) Economic burden of mental illness cannot be tackled without research investment. Mental Health Foundation.

\textsuperscript{16} The Commission to review the provision of acute inpatient psychiatric care for adults (2015) Improving acute inpatient psychiatric care for adults in England. The Commission to review the provision of acute inpatient psychiatric care for adults.

\textsuperscript{17} The Review Body on Doctors’ and Dentists’ Remuneration (DDRB) Review for 2017 Written Evidence from the Health Department for England, October 2016