



Sent by email: 7 October 2016

Dear Chancellor,

Re: Autumn statement representation

I welcome the opportunity to make the Royal College of Physicians' (RCP) representation to the Treasury for the forthcoming autumn statement on 23 November 2016.

Underfunded, Underdoctored, Overstretched: The NHS in 2016

As outlined in the RCP's recent report, *Underfunded, Underdoctored, Overstretched: The NHS in 2016* (attached), politicians, system leaders and clinicians must rethink the way we deliver healthcare: breaking down barriers between hospitals and the community, and working in partnership with patients to deliver joined-up care. To achieve this, we need a national health service that is funded to meet the needs of our ageing population.

Funding for the NHS has not kept up with demand

The financial challenge facing the NHS is having a real impact on the delivery of patient care. Cuts to the budgets of social care and public health services and recorded hospital deficits of £2.45 billion¹ are causing growing waiting lists, patients stuck in hospital because of discharge delays, emergency departments closing their doors, and the threat of 'rationing' treatment. These conditions put patient safety and recovery at risk. A truly 7-day health and care system will only be possible when we address the underlying and immediate threats to patient safety caused by insufficient investment in NHS finance and staffing.

Demand for healthcare increases by 4% every year² but, in real terms, NHS funding will increase by only 0.2% per year to 2020³. 85% of physicians believe that current health funding is insufficient to meet rising demand for services. Growth in health spending is also set to lag considerably behind growth in the UK's economy. At the start of 2016, the King's Fund calculated that, if health spending kept pace with the growth in the economy, by 2020/21 we would be spending £16 billion more than planned on the UK NHS⁴.

Numerous analyses of the current funding envelope for the NHS have come to the conclusion that the health service will struggle to meet the requirement, set out by the Five Year Forward View, to save £22 billion by 2020⁵. Recent analysis by the Nuffield Trust concludes that even if hospitals and other NHS providers made cost savings of 2 per cent a year, the funding gap would still stand at around £6 billion by

¹ National Audit Office. Reports on Department of Health, NHS England and NHS Foundation Trusts' consolidated accounts 2015–16. London: National Audit Office, 2016. www.nao.org.uk/report/reports-on-department-of-health-nhs-england-and-nhs-foundation-trusts-consolidated-accounts-2015-16/ [Accessed 7 September 2016].

² NHS Confederation. *Key facts and trends in acute care*. London: NHS Confederation, 2015. www.nhsconfed.org/resources/2015/11/key-facts-and-trends-in-acute-care [Accessed 7 September 2016].

³ Appleby J. *New NHS inflation figures underline funding pressures facing the NHS*. London: BMJ, 2016. <http://blogs.bmj.com/bmj/2016/05/20/new-nhs-inflation-figures-underline-funding-pressures-facing-the-nhs/> [Accessed 7 September 2016].

⁴ Appleby J. *How does NHS spending compare with health spending internationally?* London: The King's Fund, 2016. www.kingsfund.org.uk/blog/2016/01/how-does-nhs-spending-compare-health-spending-internationally [Accessed 8 September 2016].

⁵ NHS Five Year Forward View. <https://www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf> [Accessed August 2016].

2020–21⁶. The Five Year Forward View proposes that much of this funding gap will need to be closed through efficiency savings by providers. The RCP remains sceptical that trusts can eliminate deficits through effective planning, good management and ‘belt tightening’, and that the long-term sustainability of the NHS is predicated on fundamental change in the structure and delivery of health and social care services. With eight in ten trusts operating in deficit, the current financial crisis clearly goes beyond individual organisations’ financial discipline.

The NHS is chronically underdoctored

A combination of a lack of strategic workforce planning and underfunding of the health service has left our hospitals chronically understaffed, putting patient care at risk. Research conducted by the RCP in 2015 shows that 40% of advertised consultant vacancies remain unfilled; the most common reason is due to a lack of suitable candidates⁷. This is significantly impacting on the ability of doctors to deliver high quality care for patients. 28% of consultants have reported ‘significant gaps in trainees’ rotas such that patient care is compromised’. More consultants are now covering gaps in trainee rotas: 13% regularly do so, and almost a third of consultants cover gaps in trainee rotas as a one-off.

The RCP strongly welcomed the government’s recent commitment to increase the number of medical school places by a quarter from 2018. This will go some way to reducing the rota gaps and staff shortages that threaten patient safety and will relieve pressures faced by the NHS. However, it will take at least a decade until the new cohort of doctors are in post. We must therefore utilize other groups of the NHS workforce such as physician associates to ensure the NHS has a sustainable workforce and is not reliant on expensive agency staff, which costs the health service £3.3bn⁸.

Funding for social care and public health

Investment in the wider health and care system is vital for ensuring patients receive the best possible care and for relieving pressures on the NHS. This means ensuring adequate funding for social care and public health. Across the country, patients fit for discharge are waiting to leave hospital, in many cases because social care support is unavailable. The proportion of delayed discharges attributable to social care has risen recently (from 26 per cent at the end of 2014/15 to 31 per cent in the third quarter of 2015/16)⁹. In 2015/16, patients spent more than 1.8 million extra days in hospital because of delays in their discharge. In March 2016 alone, that equated to 5,700 people who were in hospital not because they needed a hospital bed, but because they could not be discharged¹⁰.

This reflects pressures faced by local councils, which have seen significant cuts to their budgets in recent years. Spending on social care began to fall in real terms from 2009, though it has fallen much more steeply since 2010¹¹. The Local Government Association estimates that social care faces a funding gap of £4.3

⁶ Gainsbury S (2016) *Feeling the crunch: NHS finances to 2020*. Nuffield Trust

⁷ [Federation](#) of the Royal College of Physicians of the UK. *Census of consultant physicians and higher specialty trainees in the UK*. London: Royal College of Physicians, 2016

⁸ Department of Health, Hunt J. *Clampdown on staffing agencies charging NHS extortionate rates*. London: Department of Health, 2015. www.gov.uk/government/news/clampdown-on-staffing-agencies-charging-nhs-extortionate-rates [Accessed 8 September 2016].

⁹ [What's going on in A&E? The key questions answered](#). The King's Fund [accessed July 2016]

¹⁰ Appleby J, Thompson J, Jabbal J. *Quarterly monitoring report – how is the NHS performing?* QMR 19. London: The King’s Fund, 2016. <http://qmr.kingsfund.org.uk/2016/19/> [Accessed 7 September 2016].

¹¹ [How serious are the pressures in social care?](#) The King’s Fund [accessed July 2016]

billion by 2020¹². The RCP believes that it is unrealistic for the NHS to absorb these pressures. The RCP has repeatedly called for both social care and the NHS to receive sufficient funding to ensure that care is focused around the needs of patients¹³.

Additional funding is just one element needed to build a sustainable NHS. We must also reduce the number of patients requiring care. This can only be done through investment in prevention. The RCP is gravely concerned that cuts to local authority public health allocations will cause serious and lasting adverse implications to both the NHS and the health of the people it serves. The cuts announced in the 2015 Spending Review will have a major impact on the many prevention and early intervention services carried out by local authorities. These include tackling the nation's obesity problem, helping people to stop smoking and tackling alcohol and drug abuse. The RCP strongly opposed the introduction of these cuts and we urge against any further cuts to public health funding. Investing in prevention ultimately saves lives and improves long term patient outcomes. This is in addition to saving money for other parts of the NHS by reducing demand for hospital, health and social care services.

Summary

The delivery of high quality patient care is vital to the long term sustainability of the NHS. Ensuring adequate funding, staffing levels and resources are key to making services more integrated, responsive and patient-centred.

Preventing ill health and improving health are amongst the most effective and cost effective ways to ensure our health service is fit for future generations. Cuts to spending on public health will have serious and lasting implications for both the health of communities across England and the long term sustainability of the NHS. Investing in social care will also significantly relieve pressures on the NHS.

The NHS budget has not kept pace with rising demand for services. We need a new NHS budget that:

- meets the demand for health services
- sets realistic targets for efficiency savings
- protects funds for transformation
- invests in the long-term sustainability of the NHS.

Yours faithfully,



Professor Jane Dacre
RCP president

¹² [Adult social care funding: 2014 state of the nation report](#). Local Government Association. 2014

¹³ [Doctors urge chancellor to increase social care funding](#). BBC News [accessed July 2016]