

GENERAL SYNOD

DIOCESAN SYNOD MOTION

**Long-term Sustainability of the National Health Service
A Background Note from the Secretary General**

Introduction

1. Concerns regarding the long-term sustainability of the NHS have been evident for a number of years¹ and ought to be distinguished from disquiet about short-term pressures although the latter can sometimes be symptomatic of a long-term problem.
2. Over the past two years high-profile calls have been made for a thorough-going appraisal of the long-term sustainability of the NHS with increasing argument that the issue must be resolved in a politically non-partisan manner². The House of Lord's Select Committee report³ falls into this bracket.

Background

3. The NHS had its genesis in the Beveridge report of 1942 which envisaged that 'medical treatment covering all requirements will be provided for all citizens by a national health service'⁴. When it was launched by the then minister of health, Aneurin Bevan, on July 5th 1948, it was based on three core principles:
 - that it meet the needs of everyone
 - that it be free at the point of delivery
 - that it be based on clinical need, not ability to pay⁵.
4. In its first full year of operation the NHS budget was £11.4bn (in 2010/2011 prices) representing 3.5% of GDP⁶. In 2015 government spending on healthcare amounted to £147.1bn (79.5% of total healthcare spending)⁷, representing 7.3% of GDP (down from a high of around 8% in 2009)⁸.
5. From early in its development. the 'free at point of delivery' principle was open to a number of exceptions on the basis of the 1949 NHS Amendment Act with some dental and optical treatments and prescription charges being introduced in 1952⁹.

¹https://www.nuffieldtrust.org.uk/research/nhs-and-social-care-funding-the-outlook-to-2021-22?gclid=EAlalQobChMIruLEltvS2AIVLLvtCh2uVQv_EAAYAyAAEgKMGPD_BwE

²<https://www.theguardian.com/society/2017/nov/18/mps-non-partisan-future-of-nhs-theresa-may>

³<https://publications.parliament.uk/pa/ld201617/ldselect/ldnhssus/151/151.pdf>

⁴ Sir William Beveridge (1942) '*Social Insurance and Allied Services*'

⁵ <https://www.nhs.uk/NHSEngland/thenhs/about/Pages/nhscoreprinciples.aspx>

⁶ House of Commons Library '*NHS Funding and Expenditure*' (2012), <http://www.nhshistory.net/parlymoney.pdf>

⁷ <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthcaresystem>

⁸<https://www.kingsfund.org.uk/blog/2016/01/how-does-nhs-spending-compare-health-spending-internationally>

⁹ House of Commons Library, '*The Prescription Charge and Other NHS Charges*', <http://researchbriefings.files.parliament.uk/documents/CBP-7227/CBP-7227.pdf>

NHS Activity

6. According to the NHS Confederation:

- The NHS deals with over 1 million patients every 36 hours.
- In 2015/16 there were 40 per cent more operations (excluding diagnostic testing) completed by the NHS compared to 2005/06, with an increase from 7.215m to 10.119m.
- There were 16.252m total hospital admissions in 2015/16, 28 per cent more than a decade earlier (12.679m).
- The total number of outpatient attendances in 2015/16 was 89.436m, an increase of 4.4 per cent on the previous year (85.632m).
- In 2016, 507,784 NHS patients were admitted to independent providers for their elective inpatient care. There were 891,717 referrals made by GPs to independent providers for outpatient care during the same period.
- There were 1.826m people in contact with specialist mental health services in 2015/16. 103,027 (5.6 per cent) spent time in hospital.
- There were 21.034m outpatient and community contacts arranged for mental health service users in 2014/15.
- At the end of April 2017, there were 3.783 million patients on the waiting list for treatment.
- At the end of April 2017, 885,876 patients were on the waiting list for a diagnostic test.¹⁰

7. This is a huge amount of activity, almost certainly outstripping initial expectations for the NHS.

Future Pressures

8. A range of factors combine to indicate that pressures on the NHS are likely to increase in the future. For example:

- The UK population is projected to increase from 65.6 million in 2016 to 69.0 million by 2024 and 72.7 million by 2034.
- The UK population is expected to continue ageing, with the average age rising from 40.0 in 2014 to 42.9 by 2039.
- The number of people aged 60 and over is projected to increase from 14.9m in 2014 to 21.9m by 2039. As part of this growth, the number of over-85s is estimated to more than double from 1.5 million in 2014 to 3.6 million by 2039.
- There are an estimated 3.0 million people with diabetes in England (2016).

¹⁰ NHS Confederation, <http://www.nhsconfed.org/resources/key-statistics-on-the-nhs>

- In England the proportion of men classified as obese increased from 13.2% in 1993 to 26.9% in 2015 and from 16.4% to 26.8% for women over the same timescale.¹¹

9. Current and future pressures are as relevant for social care as they are for healthcare.

The Future of the NHS

10. Any proposals for securing the ongoing sustainability of the NHS have to address a number of key factors, all of which are essential in preserving and developing a health service that reflects the founding principles of the NHS.
11. Public Health: Prevention of avoidable illness through government intervention (for example, sugar tax), health promotion (for example, five-a-day campaign) and increasing personal responsibility (for example the expert patient initiative) is crucial to curtailing future health and social care pressures.
12. Integration: The borders between health and social care have become ever more porous with increasing integration becoming evident at a local level in order to optimise care and to minimise both hospital admissions and delayed discharges. Full integration of health and social care has been promoted by MPA since the government White Paper, Liberating the NHS in 2010.
13. Resource allocation: the current number and location of acute hospitals and some other NHS facilities reflect a twentieth century environment; increased specialism within acute medicine, for example, requires a greater concentration of expertise in fewer facilities. A full debate is also needed to determine which services are sustainable on a universal basis with some services (such as IVF) currently being 'rationed' on an ad hoc basis. The possibility of further charges for some services such as GP elective interventions requires discussion.
14. Funding: NHS costs have increased hugely from its inception and are likely to continue to increase regardless of steps taken to mitigate pressures. A model of sustainable funding is required. This is allied with a need to secure long-term social care funding.
15. There have been a number of attempts over recent decades to seek to address the long-term issues facing the NHS. Notably these include the Wanless Report of 2004, which recommended ways to improve NHS productivity alongside a (subsequently implemented) large increase in funding from taxation for the Service.

The House of Lords Select Committee

16. The Select Committee report, The Long-term Sustainability of the NHS and Adult Social Care made 32 recommendations many of which address the issues outlined above.
17. Public Health: The Committee recommended better public health strategies (particularly with regard to obesity), increasing and ring-fencing the public health budget and revising the NHS Constitution to emphasise patient responsibility¹².

¹¹ Ibid.

¹² Recommendations 29-31

18. Integration: The Committee recommended that there should be a government consultation on full integration of health and social care while calling for budgetary responsibility for adult social care at a national level to be transferred to the Department of Health (to be renamed the Department of Health and Care)¹³.
19. Resource allocation: The Committee believed that a ‘free at the point of use’ NHS was sustainable¹⁴ provided major steps are taken to realign the workforce, regulatory organisations and NHS estate¹⁵.
20. Funding: The Committee strongly advocated that NHS funding ought to continue to be tax-based and increased¹⁶. It called for longer term funding cycles¹⁷ and serious consideration to be given to introducing a social care insurance scheme¹⁸. Hypothecation (ring-fencing of part of the national budget) was considered with a recommendation that it be given further consideration by ministers and policymakers¹⁹.

Comment

21. The House of Lords Select Committee report represents a considered examination of the current state of the NHS as well as a careful commentary on present and future pressures.
22. It is cautious in its recommendations, reflecting the complexity of the issues involved as well as the political sensitivities that surround the NHS.
23. Its comments with regard to rural models of care and workforce planning are particularly pertinent although these need to be balanced with the requirements of specialist centres of tertiary care as well as with the increased levels of specialism within secondary care.
24. Its recommendations are useful, though limited in that a number of them call for further discussion of problems rather than advocating solutions.
25. In particular, more work needs to be done to address the universal nature of services, the desirability or otherwise of hypothecation, possible expansion of charges, and the funding relationship between the NHS which is nationally funded and social care, which is currently locally funded.

William Nye, Secretary General
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¹³ Recommendation 3, 4&9

¹⁴ Recommendation 15

¹⁵ Recommendations 6-14

¹⁶ Recommendations 15, 17, 18

¹⁷ Recommendation 22

¹⁸ Recommendation 23

¹⁹ Recommendation 16