

## Health and Social Care Select Committee Oral Evidence Session on Budget implications, Tuesday 20 November 2018 – Summary

- Discrepancy between spending on the Department of Health and Social Care and the budget for NHS England:
  - There are concerns around timing; Local Government allocations are due in December 2018 and Health Education England needs clarity before the start of the next year for planning purposes.
  - Questions raised were:
    - Why are decisions about the departmental budget left to be made at the 2019 Spending Review?
    - What is the direct impact of the Department of Health and Social Care central budget on NHS England?
    - How much does the Department of Health and Social Care budget for contingency planning in case of a no-deal Brexit affect things?
    - Isn't it counter-intuitive that the three pieces crucial to long-term thinking are not given funding clarity and are held out of long term planning; workforce, public health and capital spending?
  
- Why does Treasury keep cutting public health and training for short term gains?
  - There is no logical basis to the cuts made to public health and contrary to the policy narrative.
  - Potential reasons:
    - Here and now emergency situation in a vicious cycle, but cannot afford the double running to break out of the vicious cycle for future pay-backs.
    - It is hard to quantify how cuts to social care, community services etc. hit the NHS – a complicated pathway of care despite that most people do clearly see this link and value social care's importance in its own right.
    - Finding a long-term solution to funding social care is hard and has been pushed down the line.
    - Treasury could fear that additional resources granted for dedicated goals could get sucked into the acute care. Issues like the misalignment with workforce planning could cause anxiety.
  - Need to note as well that the acute sector is not particularly privileged either. Cutting a lever in community health does not shrink the acute sector in an instantly – overall pot is not big enough.
  
- Wider determinants of health/Social Prescribing/Public Health
  - A weakness is that we conflate health and the NHS and do not think wide enough about spending in the economy; do not think about all the contributors to health and welfare as a whole – social determinants of health.
  - There are false boundaries in local systems; an imbalance in how we create a healthy population.
  - Fiscal measures could be useful? Wider levers, such as the sugary drinks levy and levers on tobacco.
  - Health inequality plays a big role; there is a big gap in healthy life expectancy which ultimately also affects demand on the NHS but also benefit payments and people's own provisions for pensions.
  - Social prescribing needs a bit of seed funding; only CCGs have the room for manoeuvre.
  - Squeezing the budgets of local authorities is worrying; MHCLG needs to be part of the conversation.

- Workforce
  - Workforce crisis more pressing than the funding crisis. We need to pull all the levers: training, recruitment, retention, skill-mix, and international recruitment, be better employers.
  - Impact of Brexit on bureaucratic costs of international recruitment. Centrally or regionally supported, not letting each institution do it alone.
  - Need national and local level for workforce planning and strategy need to strengthen this and needs to look across the system.
  - HEE budget is critical for the NHS. Need workforce to reshape, offer access, to have the staff to invest in primary, community care, mental care etc.
  - Difficulty is that NHS England and NHS Improvement need to plan for what the NHS needs without know the funding for HEE and whether it will be cut. In the Long Term Plan we make assumptions that there have been no cuts to HEE, if in the period of the plan there are cuts, we will need to fill the gaps through international recruitment etc.
  - It would not be the intent to use the wider NHS England budget for HEE or other budgets. NHS will need the funding settlement, but we also need an adequate settlement for HEE, public health and social care.
  
- Inflation/Economy/Brexit:
  - Pay-deals and wages
  - Cost of drugs, Pharmaceutical Pricing Regulation Scheme (PPRS)
  
- Mental Health
  - More money and priority should be given to mental health.
  - One needs to ensure resourcing and workforce are behind measures of access. Better metrics and data-sourcing on measuring progress are needed.
  - Ring-fencing mental health spending is difficult. There are two sides; one needs to track the money through the system to make sure it ends up where it should. Downside is that it moves back to seeing people as a whole – including physical and mental health. Ring-fencing can be charging for accountants figuring out on which side of the line it falls.
  
- Capital investment
  - Backlog of Providers is a consequence of cutting for too many years in a row, backlog becomes in need of acute repairs. This can hold back productivity and efficiency.
  - Capital plan is needed as part of the Long Term Plan – priorities are needed for investment in capital and planning. More imaginative use of NHS estate could be profitable, crucial is that extra income does get spend on health and not deducted from Treasury funding.
  - There are good and bad PFIs, some are major challenges and others less so. How will the income expected to come from PFI be replaced? Should it be part of the settlement?

Read the full transcript and more information here:

<https://www.parliament.uk/business/committees/committees-a-z/commons-select/health-and-social-care-committee/inquiries/parliament-2017/implication-of-budget-on-health-inquiry-17-19/>