

*Parliamentary Briefing*

# The NHS and social care: quality and finance

Nuffield Trust is an authoritative and independent source of evidence-based health service research and policy analysis. Our aims include promoting informed debate on healthcare policy in the UK

Ahead of today's Opposition Day Debate on the NHS, please see below details of some recent analysis by the Nuffield Trust.

This short briefing pulls together key findings from our work tracking the views of health and social care leaders and our expert analysis on **quality, finance, pressures** on the health and social care system. All figures are for England, unless specified.

## The views of health and social care leaders

The Nuffield Trust is tracking the views of a panel of [100 health and social care leaders](#) in the run up to the election.

Our first survey, published in July 2014 revealed increasing concern over the financial outlook for the NHS, and growing anxieties over the state of social care:

- **8 in 10** leaders reported concern about the **financial viability** of their local NHS or social care provider;
- **Over two-thirds** (70%) felt that NHS providers will **have to go into deficit** in the future in order to provide high quality services;
- **Over half of respondents** felt that the **quality of publicly funded social care** services had worsened over the past year;
- Almost half (47 per cent) thought it was either very or quite unlikely that the NHS would remain **free at the point of use** in ten years' time.

Nonetheless, leaders were **optimistic** that quality was holding up in NHS services and a third felt it had **improved** in the last year. Additionally, there was widespread support for the idea that **more efficiency savings** could be found in the NHS, with over three-quarters agreeing that more efficiencies could be released without harming patient care.

## The quality outlook

Our [QualityWatch](#) programme with the Health Foundation tracks over 200 indicators of care quality. These are used to measure changes in quality of care over time within England.

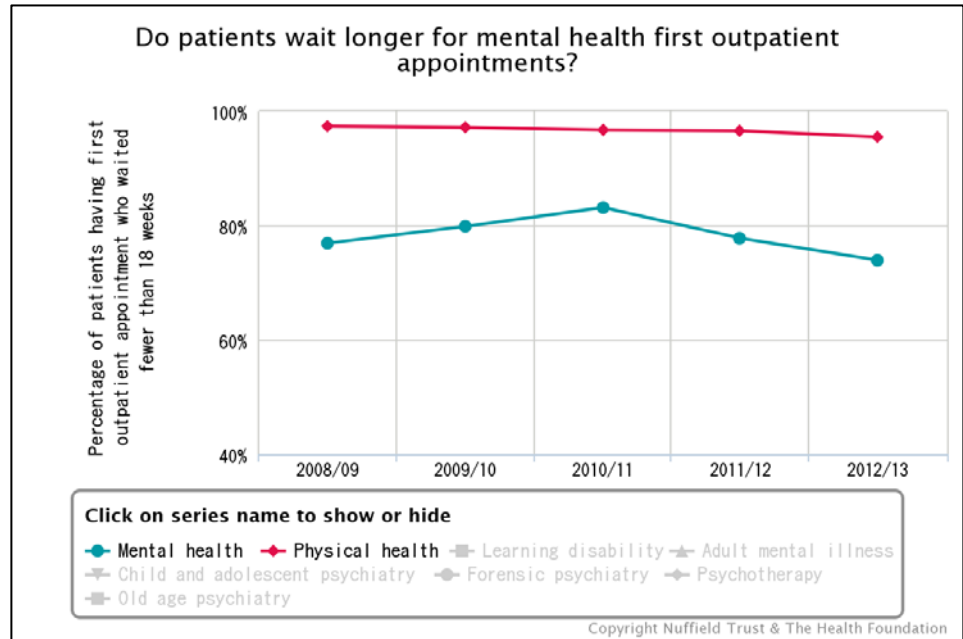
In many ways the NHS has shown signs of **continued improvements** when we look at care quality now compared to the past. Compared with 10 years ago, **waiting times** are much shorter; there have been improvements in important areas of **safety** (such as healthcare-associated infection); there are **more doctors and nurses**. What's more, patient surveys are not reporting any worse experience of care, on average.

But there are clear indications that we may be failing to hold onto some of these gains. The past year has seen an increasing number of signs that historic improvements in quality are not being sustained in some areas, or have **even reversed**.

Of particular concern are: severe pressure on access to mental health services; lengthening hospital waiting times; and a rise in reported work-related stress among NHS and social care staff. The following figures are drawn from our [annual statement](#), published with the Health Foundation in October 2014:

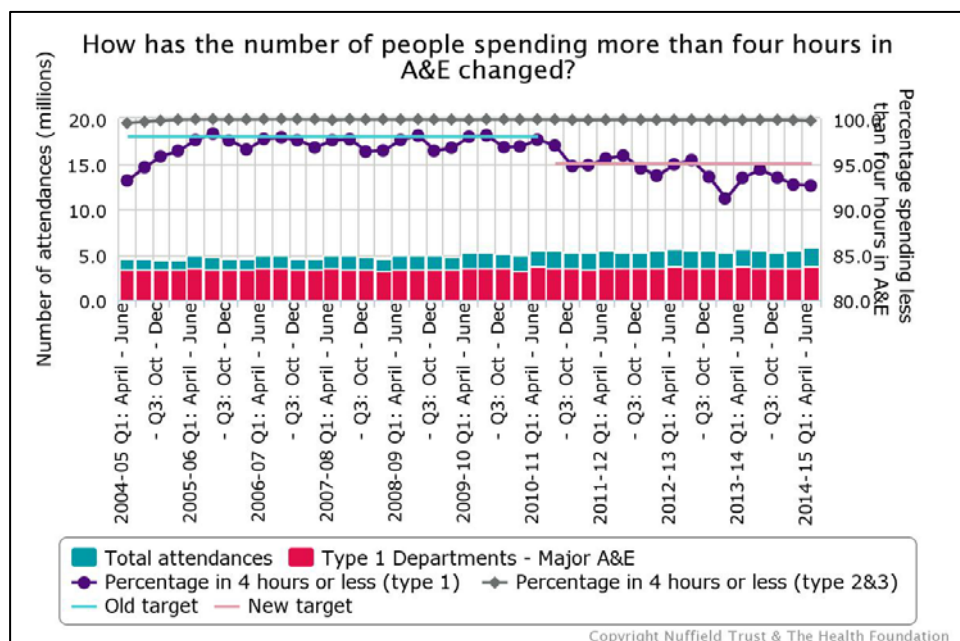
### Quality of mental health care: key facts

- There was a 17% rise in inpatient admissions for people **detained under the Mental Health Act** between 2008/9 and 2012/13 (from 25,754 in 2008/9 to 30,253 in 2012/13), perhaps in response to reductions in inpatient beds and increased emergency admissions.
- Average **waiting times** for people needing to see a specialist mental health team grew by a third between 2010/11 and 2012/13, from 35 days to 48 days, reversing previous progress.
- By 2013 mental health service users waited almost twice as long for a consultation as those with physical ailments, and were on average a fifth less likely to have their **first outpatient appointment** within 18 weeks (see chart below).
- Falling numbers of **psychiatric nurses working in hospitals** have not been offset by rising numbers in the community: full-time psychiatric nurses working in **hospitals** fell by 13% between 2010 and 2014 whilst those in the **community** fell by 1%.
- There is some good news on mental health services: there are **increasing numbers of people** accessing Improving Access to Psychological Therapies (IAPT), although concerns remain about waiting times; and the **rate of employment** for people with mental illness is increasing faster than the rate for the general population.



Access to healthcare: key facts

- For over a year major A&E departments have **breached the national target** for 95% of people to be admitted or discharged within four hours (see chart below).
- The numbers of patients experiencing a four-hour delay between the decision to admit them at A&E and their arrival on a ward (known as a **‘trolley wait’**) has risen by 79% since 2010/11, from 93,905 patients (2.6%) in 2010/11 to 167,941 patients (4.4%) in 2013/14;
- One in ten people waited longer than 18 weeks for **planned treatments** for much of 2014; but the average (median) patient only waits four days longer now for planned treatments than they did in 2010.
- People are reporting that it is harder to get a **GP appointment**, and over 250,000 fewer older people are receiving **publicly funded social care**.



## The financial picture

The financial outlook for both providers and commissioners is increasingly concerning. Our [Into the Red](#) report published in July 2014 shows that, after initially dealing well with austerity, both hospital trusts and clinical commissioning groups have been struggling over the past financial year. Provisional figures for the first quarter of the current financial year back this up.

### Hospital trusts

- In 2013/14 NHS and Foundation trusts as a whole were **£90.6 million in net deficit**, including bailouts, and 66 trusts were in deficit. This compares to a **surplus** of £383 million in 2012/13 and 45 trusts in deficit in that year. Acute trusts reached a net deficit of £436 million in 2013/14, including Government bailouts. Deficits were most concentrated in **London** and the **Midlands**
- Figures for the first quarter of 2014/15 shows that **80% of Foundation Trusts** – the hospitals we would expect to meet their financial targets - were **in deficit**.
- Spending on agency staff has soared across the NHS. **In 2012/13 the cost of temporary staff grew by 20 per cent**. This trend continued into 2013/14 with Foundation Trust spending on contract and agency staff increasing by £300 million (27 per cent).

### Commissioners

- Commissioners found it harder to balance their budgets in 2013/14 than in previous years. Despite an overall underspend, **19 clinical commissioning groups (CCGs) ended the last financial year in deficit** and NHS England projected a £377 million overspend on specialised services.
- There has been a marked shift from NHS to private and voluntary sector community health care provision. Spending on **private community provision** rose by a third between 2011/12 and 2012/13, but spending on private providers in acute hospitals has slowed.

### Efficiencies

- Despite Government requiring efficiency savings of four per cent across the NHS, both commissioners and hospital trusts are making smaller and smaller savings each year. In 2013/14 CCGs made **savings of less than two per cent** of their total spend, whilst Foundation Trusts saved three per cent compared with 3.4 per cent in 2012/13.

## The challenge ahead for health and social care

The Nuffield Trust analysis [NHS Hospitals Under Pressure](#) looks at the challenge ahead for the hospital sector, drawing on analysis of hospital bed use over the past seven years.

- The total number of **hospital admissions** in England grew by **2 million** from 12.6 million in 2006/7 to 14.6 million in 2012/13, an increase of **16%**.
- If admission rates continue to increase, the growing and ageing population alone means that the NHS will need at least an additional **6.2 million bed days** (overnight stays) by 2022,

This is equivalent to **17,000 beds**, which equates to about **22 hospitals** with 800 beds each.

- This increased pressure is an important part of the funding gap facing the NHS, which we estimate to account for around **a quarter of the £30bn gap** facing the NHS by the beginning of the next decade.
- Even if building more hospitals was affordable, it would **not be a good solution** – hospital is often not the best place for frail older people. **But the past shows us a lot can be done through increased productivity.**
- Our analysis of the last seven years shows us that despite rising admissions, the number of general and acute beds available in NHS hospitals fell from 126,976 in 2006 to 106,374 in 2013, meaning that **overnight stays fell by 3%** despite rising admissions. This is good news.
- This was largely due to **30% more day cases** and **13% fewer overnight stays** in hospital for patients in hospital less than a month
- So by carefully reducing the length of time patients stay in hospitals, **we can avoid the need for more hospitals in the future.** This will require significant changes to the way care is delivered both inside and outside of hospital, which will in turn require better intermediate care in the community and in patients own homes.

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