



18 October 2022

Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
11 Downing Street

By email

Dear Chancellor

We would like to congratulate you on becoming chancellor and to offer our support in shaping and strengthening the health and prosperity of the country. You have always been a strong advocate of the NHS and care sectors. Your experience as the longest serving health secretary and as chair of the health and social care committee gives you unique insight into the risks and opportunities the NHS faces. You also understand how investing in the NHS and the health of our nation can improve productivity, boost the economy and save taxpayer money in the long term.

We write, as you are aware, as the representative body for frontline NHS acute, ambulance, community and mental health services. Our unique relationship with trusts gives us an unparalleled view of what is happening at the NHS frontline, and places us in a unique position to offer you support and insight as the government develops robust solutions to the strategic challenges we face.

An extraordinary National Health Service

The NHS is delivering extraordinary things in unprecedented times. Despite repeated waves of Covid-19 and increases in demand across each sector, the NHS is exceeding pre-pandemic activity levels in a number of areas. This includes seeing more suspected cancer referral patients than ever before, treating 38% more of the most serious ambulance call outs compared to three years ago, and mental health services in contact with more people than ever before. In line with the NHS elective recovery plan, the number of people waiting two years or more has been virtually eliminated. Community diagnostic and surgical hubs are being created across the country to increase capacity to help the NHS carry out more diagnostic tests and planned operations. Integrated care systems have been recently placed on a statutory footing to create healthier, resilient and

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empowered communities. NHS staff are working hard and effectively to drive recovery during very challenging times.

The NHS remains a cornerstone institution of British society with widespread support for its founding principles of care, free at the point of need – principles we were reassured to hear you reiterate recently. As you well understand, our health is inextricably linked to our nation's wealth and economic prosperity. The NHS is rooted in communities, generating benefits through its purchasing power as well as directly addressing health inequalities and treating those who are unwell. As the country's largest employer and an attractive site for investors in research and medical innovation, the NHS is well placed to support your wider plans to address the economic challenges facing the country and a vital partner in achieving the long-term confidence and stability you seek to restore.

Tackling the challenges we face

However, there is no doubt that the health and care sector is under unprecedented pressure. Rising operational demands, the ongoing prevalence of Covid-19 and coming flu season, the rising cost of living, and widening health inequalities risk making this winter extremely challenging. The long-overdue need for significant investment in social care and its workforce is having a serious knock-on impact on the NHS, making it more difficult for people to live independently, and often exacerbating delayed discharges from hospital which is a pressing problem.

We set out below the immediate challenges, and what we believe needs to be put in place to enable the NHS to deliver a world-class service that delivers value for money for UK taxpayers.

Workforce development: As you are aware, the total number of full-time equivalent vacancies across the NHS has risen since last year by 34%, reaching an all-time high of 132,139. That means that nearly 1 in 10 posts are vacant in England, and 1 in 8 posts vacant in London. Social care, with 165,000 vacant posts, is also struggling to recruit and retain staff.

We know you are deeply committed to the development of a fully funded, fully costed, workforce plan that sets out the necessary future shape and size of the health and care workforce. This plan, and immediate attention to address existing vacancies, is essential to enabling safe, high-quality care, tackling care backlogs and supporting existing frontline staff, as well as freeing up the NHS funding currently being spent on locums and agency staff. We look forward to continuing to work with you and the health team in the Treasury to realise the benefits of this plan.

Other measures which will help restore the stability of the workforce include pensions reform to retain senior clinicians and fully funded pay awards which keep pace with inflation. There also needs to be a convincing plan, which works alongside the NHS settlement, to improve pay, terms and conditions for care workers and social care colleagues, placing social care on a more sustainable footing.

Delivering on capital investment: The New Hospital Programme is an opportunity for government to deliver on its manifesto commitment by providing badly needed

investment in the fabric of the NHS. It has the potential to help reduce health inequalities and drive long-overdue improvements to patient safety, service capacity and the recruitment and retention of valued staff. The pace of progress urgently needs to accelerate, alongside a multi-year capital settlement with reform of how all services, including acute, mental health, community and ambulance sectors, access capital to address the maintenance backlog and improve care delivery through better buildings, clinical equipment and use of technology.

The challenge of the rising cost of living: Inflation is eroding the multi-year settlement confirmed at the October 2021 spending review, with rising energy costs a serious concern and the cost of living affecting the NHS, their staff and patients. Trusts have told us that the rising cost of living is causing a chilling effect on recruitment and directly prompting staff to look for roles in other sectors which can offer more competitive terms. Almost all respondents raised concerns that the rising cost of living will impact their ability to manage operational and winter pressures. We urge the government to act on the drivers of rising costs over the short and medium term, to protect the public from the long-term impact of poverty on health.

Making best use of collective resources: We fully understand your commitment to restore confidence and stability to the economy. We can reassure you that trusts are working hard to drive cost improvement programmes and they recognise the importance of a strong focus on efficiency to deliver best value for taxpayers' money. As you know efficiency targets in the NHS are already very stretching with 85% of our survey respondents saying that they were not confident that their system will reach financial balance in 2022/23. Pressure is now also mounting on national NHS budgets due to inflation and other cost pressures arising from the national pay awards and reductions in centrally funded support for Covid-19. As they seek to manage the demand and the budgetary and workforce pressures they face, trusts are concerned to avoid making short-term, one-off, savings which undermine their ability to make long-term, sustainable, improvements. We would welcome further discussion with you to ensure the continued ability of the NHS to improve care, narrow health inequalities and deliver on the needs of patients.

We have always valued our strong relationship with you. We look forward to working with you and your team to support the NHS to continue to deliver, improve and innovate for the benefit of patients, communities and taxpayers.

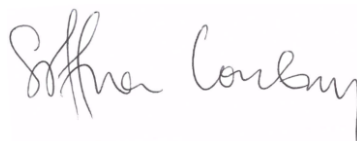
Yours sincerely



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