



National Voices

People shaping health
and social care

Rt Hon Greg Hands MP
Chief Secretary to the Treasury
HM Treasury
Unit 1
Horse Guards Road
London SW1A 2HQ

19 October 2015

Dear Chief Secretary,

HEALTH AND SOCIAL CARE IN THE SPENDING REVIEW

We, members of National Voices, are writing with our recommendations on the Spending Review outcome for health, social care and the voluntary sector.

National Voices, an independent charity, is the leading coalition of health and social care charities in England, we have a deep understanding of the experiences and needs of millions of patients, service-users, carers and families. We work closely with the Department of Health and the NHS and have a key role in the implementation of the NHS Five Year Forward View and supporting other priorities in health policy.

With the NHS under huge pressure and increasingly in deficit, we are seeing a direct impact on the accessibility and quality of services. We welcome the Government's commitment to increasing the NHS budget by £8 billion in real terms by 2020. We see this as the very minimum necessary and would support calls for these increases to be front-loaded.

The challenge of achieving £22 billion of NHS productivity savings is daunting. Key to this will be seeing through the Five Year Forward View reforms that are meant to give priority to preventing ill-health and promoting people's physical and mental health, wellbeing and independence at home and in the community.

The evidence is clear: joined up, proactive, preventative services, developed in collaboration with citizens and communities, result in better health outcomes and a better patient experience.¹ Such services enable a higher proportion of care to be provided in and close to people's homes in the short term, reducing demand for high cost acute services in the medium to long

¹ National Voices has published a set of systemic reviews of the evidence for person centred care. These are available at <http://www.nationalvoices.org.uk/evidence>

term. They also make a vital contribution to economic growth by improving the employability of working age people with disabilities and long term conditions, and family carers.

For these reforms to achieve the Government's goals, we see a number of key conditions that must be met as part of the Spending Review outcome.

Funding for health and care services

Local government plays a critical role in the provision of health and care services, and in prevention. This role will become more important with the passing of the Cities and Devolution Bill. However, while direct NHS funding has been protected, substantial cuts to local government funding risk health outcomes and are likely to lead to growing demand for acute NHS care.

Real-terms increases in funding are needed for social care. The progressive squeeze on local authority social care spending has left a growing number of older and disabled people with un-met needs. Disabled children, along with their families, are also being affected by cuts to social care funding. A decent society should not tolerate this.

The squeeze on social care adds extra costs to the NHS as it risks people's health deteriorating to the point where expensive and unplanned medical services become necessary. A lack of social care resource also creates pressure on Accident and Emergency services, and costly delays in discharge from hospital. Further, while we welcome the move to introduce a National Living Wage in principle, we are concerned that unless additional funding is made available for social care, this will lead to further restrictions on services.

In-year reductions to the public health allocations to local government announced in the summer Budget will put NHS services such as sexual health clinics and drug and alcohol services at risk, as well as undermining the potential for NHS savings through primary prevention. **The cuts to allocations made this year should be reversed, and the Government's commitment to prevention should be demonstrated by a real terms increase in public health spending.**

The NHS budget itself must be re-aligned so that a greater proportion of total spend is geared towards promoting health and supporting people's independence and supported self-management in the community. In particular, we believe moving away from payment for episodes of care to, for example, year of care tariffs, will be important in bringing this about for those with complex and long term conditions. We are also concerned about the decline in spending on both GP services and on support for people with mental health, creating significant pressure including growing waiting times. Allocations to services should reflect the importance of these services in preventing ill health.

The current system of prescription charge exemptions is inequitable and reinforces health inequalities for some groups of patients with long term conditions. We recommend that this is reviewed.

Together, these recommendations will support a shift of demand away from costly acute care, to that provided closer to home, with a greater role for supported self-management, community support and the voluntary sector.

The role of the voluntary sector in health and care

As is fully recognised in the Five Year Forward View vision, **the voluntary and community sector is an integral part of the health and care infrastructure** and key to the development and delivery of preventative, holistic, person-centred approaches that keep people out of hospital and help them back into work. Our sector fills gaps in provision and reaches people not otherwise reached or adequately served by statutory services, as a result often offering better value for money. Our contributions to achieving the Government's goals span:

- system resilience and demand management, for example in the recent winter pressures work
- preventing diabetes, obesity, and cancer
- supporting people with dementia and mental illness
- supporting children and young people (and their families) with life-limiting and life-shortening conditions
- integrating health and social care and reforming out of hospital care
- helping to develop and then implement the Care Act, and promoting personalisation, choice and control and supported self-management
- supporting compliance with legal duties relating to equality, health inequalities, safety and public involvement
- innovating, for example in developing social prescribing, peer support and other new models of service delivery
- promoting a patient and citizen voice in accelerating access to new technologies and treatments
- promoting social action and the Big Society
- providing support, and a voice, for people with rare, overlooked or stigmatised conditions, for example HIV, rare cancers, or conditions leading to incontinence, or disfigurement.

Looking forward, we see an important role for our sector in supporting the success of devolution in Greater Manchester and subsequent areas and in helping to ensure that the move to 7 day working does not create unsustainable demand pressures on the NHS.

The strategic importance of our sector in health and wellbeing has not been reflected in the funding environment. The voluntary sector has experienced no real terms growth in income since 2006/07 and overall spending on the

sector from both central and local government has declined by more than 10 per cent since 2009 in real terms.

Smaller voluntary organisations, representing the majority of the sector, have experienced much sharper reductions in income. Such organisations are typically those best connected to individual neighbourhoods, and to particularly excluded communities, including those living with overlooked health conditions. While voluntary organisations must avoid the trap of over-dependence, statutory funding is vital for building their capacity to diversify funding streams and for ensuring that their voices continue to be heard.

It is in this context that we call for the **protection of the Department of Health's central grant programmes for the voluntary sector**, currently worth a little under £25 million (and which have had no inflation uplift in their history). These programmes are subject to the current DH-led VCSE review, which is expected to recommend reforms to improve the targeting of funds and their alignment with the Government's objectives. We support this review and believe that it should inform the Department's decisions following the Spending Review.

While grant funding plays a vital role in supporting the sustainability of the voluntary sector, it is also important that our sector is able to experience a level playing field in commissioning, so that our full potential to support better health and care can be realised. **A better overall relationship between commissioners and the voluntary sector** is a goal of the Five Year Forward View and one key strand of the VCSE review. We think that the Spending Review could helpfully reinforce the changes required.

Finally, please do not ignore the **wider impact on health and wellbeing of changes in the funding and organisation of public services, of reforms to benefits and of other economic policy changes**. Our members have direct experience of the effects of austerity in recent years. There has been a negative impact on the physical and mental health of parts of the population, which if not addressed, will increase demand for NHS services. The Spending Review offers an opportunity to take a holistic approach. We think that patients would benefit greatly if during this Administration you and your ministerial colleagues would engage a forum of voluntary sector and civil society leaders to help you consider such matters on a cross-departmental basis, building on the excellent example of the Department of Health's voluntary sector strategic partners.

I am copying this letter to the Prime Minister, Chancellor, Chancellor of the Duchy of Lancaster, Secretary of State for Health, Secretary of State for Work and Pensions, and Secretary of State for Communities and Local Government.

I am also copying this letter to the chief executives of NHS England and Public Health England

Yours sincerely

Jeremy Taylor, Chief Executive, *National Voices*
Robert Johnstone FRSA, Chair, *Access Matters*
Jeremy Hughes, Chief Executive, *Alzheimer's Society*
Federico Moscogiuri, Chief Executive, *ARMA*
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Dr Liam O'Toole, Chief Executive, *Arthritis Research UK*
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Professor Frank Chinegwundoh MBE, Chair, *Black Cancer Care*
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Mike Hobday, Director of Policy, *British Heart Foundation*
Fiona Loud, Policy Director, *British Kidney Patient Association*
Andrew Langford, Chief Executive, *British Liver Trust*
Jane Lyons, Chief Executive, *Cancer52*
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Sue Bott CBE, Deputy Chief Executive, *Disability Rights UK*
Diana Perry, Chief Executive, *Ectodermal Dysplasia Society*
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Paul Declé, Coordinator, *Forum Link*
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Sophie Corlett, Director of External Affairs, *Mind*
Michelle Mitchell, Chief Executive, *MS Society*
Debbie Cook, Chief Executive, *National Ankylosing Spondylitis Society*
Amanda Allard, Assistant Director, *NCB*
Claire Henry, Chief Executive, *NCPC*
Ailsa Bosworth, Chief Executive, *NRAS*
Kath Parson, Chief Executive, *Older People's Advocacy Alliance*
Steve Ford, Chief Executive, *Parkinsons UK*
Sue Farrington, Chair/Chief Executive, *PiF/SRUK*
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