Royal College of Nursing

Royal College of Nursing submission to the Housing, Communities and Local Government Committee inquiry into The Spending Review and Local Government Finance

1. Introduction

1.1. With a membership of around 450,000 registered nurses, midwives, health visitors, nursing students, nursing support workers and nurse cadets, the Royal College of Nursing (RCN) is the largest professional body and trade union of nursing staff across the UK.

1.2. Our members work in a variety of hospital and community settings in the National Health Service (NHS) and the independent sector. This includes nursing staff who work in social care (both children's and adult social care) and public health services commissioned by local authorities in England.

1.3. This submission focuses on the following points in the Inquiry's Terms of Reference:

- The approach the Government should take to local government funding as part of the 2020 Spending Review and what the key features of that settlement should be.
- The current financial situation of councils, how this has affected their ability to deliver services and the demand for services, including Adult Social Care
- What the impact is of another one-year spending review and a further delay to a multi-year settlement and the Fair Funding Review

2. The approach the Government should take to local government funding as part of the 2020 Spending Review and what the key features of that settlement should be

2.1. The role of local authorities in health

2.2. Over the last decade, improvements in life expectancy in England have stalled and in some cases are decreasing.[i] There are stark and widening health inequalities: the largest decreases in life expectancy since 2010 were seen in in the most deprived 10 percent of neighbourhoods in the North East of England

and the largest increases were seen in the least deprived 10 percent of neighbourhoods in London.[ii]

2.3. The opportunities for good health are not shared equally amongst the population. For example, people living in the most deprived areas in England develop long-term health conditions between 10-15 years earlier than the wider population, and those with a Learning Disability or severe mental illness die around a decade or more earlier.[iii] According to the Health Foundation, in the least deprived fifth of areas in England , people can expect to have more than two conditions by the time they are 71-years-old. This is compared to people in the most deprived fifth of areas who reach the same level of illness a decade earlier.[iv]

2.4. The COVID-19 pandemic has not affected people and communities equally. For example, growing evidence highlights the disproportionate impact of COVID-19 on people from Black, Asian and minority ethnic (BAME) groups in terms of infection, serious illness and death.[v] Age, ethnicity, gender and geographical area are factors which increase the risk of infection, severity of symptoms and mortality.[vi]

2.5. Long-term health is determined by factors beyond the scope of the health and care service a person receives. It is shaped by the conditions in which we are born, grow, live, work and age – often referred to as the wider or social determinants of health.[vii] This includes factors such as housing, income, education, employment and the natural and built environment. Local authorities' responsibilities include the commissioning and provision of a range of services and initiatives that directly impact these.[viii]

2.6. Despite this responsibility for a breadth of essential services, local government funding allocations from the Ministry of Housing, Communities and Local Government (MHCLG) declined by 77% between 2009/10 and 2018/19, putting at risk their capacity to deliver these vital duties.[ix] **According to the Institute for Fiscal Studies, cuts to funding from central government have led to a 17% fall in councils' spending on local public services since 2009–10 – equal to 23% or nearly £300 per person;** and it is the more deprived areas which had the greatest reductions in per person spending.[x]

2.7. Local authorities have a critical role in supporting an equitable and sustainable recovery from the COVID-19 pandemic. While the pandemic has impacted

different areas in different ways, it has had significant negative impacts on councils' income and revenue (including through lost income from business rates and council tax) and has increased financial pressures on already stretched budgets.[xi]

2.8. The 2020 Spending Review included the announcement of extra flexibility for local government in relation to Council Tax and the Adult Social Care precept, plus £300 million of new grant funding.[xii] While this provides some support for councils in the short-term, there remains uncertainty about the funding arrangements for local government in the longer term. Long term settlements are beneficial for decision makers as they allow for a strategic focus, giving the opportunity for prioritising outcomes and service improvement, rather than meeting short term funding needs.

2.9. Staff redeployment during the pandemic also increased the pressure on local authority commissioned services. For example, the significant redeployment of health visitors during the first wave of the pandemic occurred at a time of heightened need and vulnerability for many babies, children and families, with health visitors who remained in their substantive posts reporting significant increases in caseloads.[xiii]

2.10. For too long, local authority commissioned care has not been treated as an equal 'partner' to the NHS. Planning and budgeting decisions for health and care services across the NHS and local authorities have not been made in an integrated and cohesive way, based on an understanding of population demand and modelling of the resources (including workforce) required to meet that demand. This has undermined the integration agenda and the focus on prevention and early intervention which could reduce the pressure on the NHS and reliance on costly treatment services.[xiv]

3. *Public health funding*

3.1. Since 2013, local authorities in England have been responsible for improving the health of their local population and for public health services.[xv] The public health grant is given by central government to local authorities to deliver these duties and funds vital preventative and treatment services such as smoking cessation, drug and alcohol support, sexual health, health visiting and school nursing.

3.2. The Government has acknowledged the crucial role that local authorities have to play in preventing ill health, promoting public health and reducing health inequalities[xvi]. Yet between 2014/15 and 2019/20 there was a £900m real terms reduction in public health funding[xvii] and analysis by IPPR showed that these cuts were disproportionately higher in the most deprived areas than in the least deprived.[xviii]

3.3. In 2020/21 the Government announced a welcome increase in the public health grant[xix]. However, despite this positive first step, the 2020/21 grant is still 22% lower than in 2015/16, and the increase of around 2.6% (£80 million) on the previous year's grant falls far short of the estimated £0.9 billion needed per year to reverse cuts since 2015/16.[xx] Furthermore, compared to increases in NHS front-line services, the public health grant continues to represent a shrinking share of overall health spending and fails to provide a sustainable footing for long term investment in public health and prevention.

3.4. It is therefore very disappointing that the 2020 Spending Review did not increase funding for local public health. Rather it stated that the public health grant would "continue to be maintained" and that Government will set out the "further significant action that it is taking to improve the population's health in the coming months".[xxi]

3.5. In August 2020, the Government announced significant changes to the public health system in England.[xxii] This has led to further uncertainty and instability for public health planning and commissioning as it remains undecided as yet where key functions currently residing in Public Health England will be relocated to and who/what will hold specific roles and responsibilities. It is crucial that the Government takes all necessary action to create and foster stability and support throughout this period. Ensuring that there is secure and adequate funding for public health and that the new system is sufficiently resourced is vital to this.

4. *Social care funding*

4.1. Social care is an incredibly important yet often overlooked pillar of public service. Social care services have experienced years of underfunding, despite needs increasing within the population. This has led to widespread unmet needs, and a high level of complexity of care being delivered by services. The Institute for Fiscal Studies reported that council service spending is predominately focussed on social care services, leading to cuts in other areas such as transport and housing[xxiii].

4.2. There is a need for additional, sustainable and long-term investment in the social care sector, a recognition within service planning for people of all ages, and an opportunity to keep couples and families together. Specific attention should be given to learning disability services, mental health services and the needs of both old people and children and young people within social care.

4.3. Overall funding for social care must be sufficient to provide fair pay, terms and conditions for all nursing staff. This is key to improving recruitment and retention of nursing staff in social care settings. Investment levels must also fund staffing for safe and effective care in all social care settings. Funding should consider wider health promotion and prevention, which nursing staff are key to, and which can allow earlier identification and intervention for individuals.

5. The current financial situation of councils, how this has affected their ability to deliver services and the demand for services, including Adult Social Care

5.1. The impact of public health cuts

5.2. The financial pressures caused by years of cuts to public health funding have hindered the capacity of local authorities to deliver public health services and resulted in cuts to vital services such as smoking cessation, health visiting, school nursing, sexual health and drug and alcohol treatment services, despite increasing demand.

5.3. Financial pressure and uncertainty have also contributed to unacceptable variation in the quality and quantity of services. The suspension of vital services such as cancer screening, and the disruption in access to services for people with long term conditions throughout the first phase of the COVID-19 pandemic threatens to exacerbate inequalities.[xxiv] This undermines the Government's prevention agenda and could increase future demand for treatment services.

5.4. For many years, we have been highlighting the impacts of these pressures on our members working in public health services commissioned by local authorities. This includes services being decommissioned despite increasing demand and growing workload pressures forcing many to leave the profession.[xxv] Specialist public health nurses such as health visitors and school nurses play a vital role in preventing ill health and promoting public health as well as safeguarding and

yet since 2015 there has been a 26% reduction in NHS school nurses[xxvi] and a 30% reduction in the number of health visitors in England.[xxvii]

5.5. The recommended maximum caseload size for a health visitor is 250 children (and this should be less in areas of high deprivation/vulnerability). However, a 2019 survey by the Institute of Health Visiting highlighted that 43% of health visitors were responsible for 400 to over 1000 children and almost 29% were responsible for 500 - 1000+ children. [xxviii] Redeployment during the first wave of COVID-19 added further pressure to these overstretched services, with reports of some health visitors caseloads of up to 10 times the recommended number.[xxix] This undermines health visitors' ability to focus on prevention and could result in missed care for children and families.

5.6. Social care in crisis

5.7. As funding pressures have grown, many local areas have had to raise the threshold for people accessing care. This means that only those with the most severe and enduring care needs are able to receive support. For many people this leaves families and carers filling the gaps of care services. People may also be likely to turn to other frontline services such as general practice or A&E when they need support; placing additional pressure on already stretched health services. Some councils have reported that they are failing to meet their statutory adult social care duties. This is extremely concerning.

5.8. There is an unquestionable workforce crisis in social care despite a lack of nationally held, system-wide workforce data to truly understand the extent of the shortages. In 2019/20, Skills for Care estimated 36,000 registered nurse jobs in the adult social care sector. Most of these jobs were in care homes with nursing in the independent sector (33,000). Registered nurses were one of the only jobs in adult social care to see a significant decrease; down 2,800 jobs (7%) between 2018/19 and 2019/20 and down 15,500 jobs, or 30% since 2012/13. The highest vacancy rate in the sector was for registered nurses at 12.3% (around 4,200 vacancies), up by 7.3 percentage points from 2012/13[xxx].

5.9. The estimated number of vacancies suggests that the supply of available workers is still substantially lower than the demand. Significant future challenges continue to exist in this area too, with a projected increase in demand as the population ages and a potential reduction in workforce supply as a result of the new immigration rules due to come into effect on 1 January 2021. A fully

costed and funded workforce strategy is needed to identify these types of issues and implement interventions to overcome them.

5.10. The 2020 spending review did include additional funding for social care, including the ability for local authorities to increase the social care precept. While this is welcome and will potentially alleviate some of the immediate pressures that councils are facing, it does not go far enough. We have seen these piecemeal increases to social care funding before. They do not allow decision makers to take a long-term strategic view.

6. The impact of another one-year spending review and a further delay to a multi-year settlement and the Fair Funding Review

6.1. As the Housing, Communities and Local Government Committee has previously reported, local authority budget cuts, ongoing failure to address the social care funding crisis and uncertainty about future budgets has prompted councils to prepare for the worst by making further spending reductions on vital local services.[xxxi]

6.2. With regard to the funding allocated to local authorities to fulfil their public health duties, the lack of a long term and sustainable funding settlement and uncertainty around future budgets reduces the ability of councils and public health teams to plan services effectively for the longer term. It also has detrimental impacts on the workforce: nurses who are employed within services commissioned by local authorities which are provided outside of the NHS are treated differently to their counterparts in the NHS – this inequity means that many of our members do not get the annual pay uplift and/or equal access to appropriate training, development and support. For staff who are employed in NHS organisations but commissioned by local authorities there have been disputes about the lack of adequate funding to cover the NHS pay uplift for them.[xxxii]

6.3. Whilst we recognise that the context of the unprecedented COVID-19 pandemic is particularly challenging and requires flexibility, the decision to have a one-year spending review is risky. The RCN believes that urgent clarity is needed from the Government about the future mechanism and allocation of funding for services commissioned and provided by LAs across England.

7. Recommendations

7.1. Without delay, we expect the government to:

7.1.1. Introduce a fully costed and funded workforce strategy covering the entire health and care workforce. This strategy should robustly assess the population needs for all local authority commissioned care and calculate the workforce, both in size and skill mix, required to meet these needs.

7.1.2. Ensure that local authorities are sufficiently funded to meet the needs of their local populations, reduce health inequalities and continue to respond effectively to COVID-19. There must be stability and sustainability in the funding arrangements for local authorities and there should also be parity between how the government funds and resources NHS services with all publicly funded services, including those commissioned and led by local authorities.

7.1.3. Introduce an increased, long-term and sustainable funding settlement for public health that supports the Government's stated commitment to prevention and improving population health. This should be based on a robust assessment of population needs and the resources (including workforce) required to prevent ill health, reduce health inequalities and support a sustainable health and care system.

7.1.4. Introduce a long-term funding settlement for social care settings in all parts of the UK, based on a robust assessment of population needs. Overall funding for social care must be sufficient to provide fair pay, terms and conditions for all nursing staff. Investment levels must also fund staffing for safe and effective care in all social care settings. Funding should consider wider health promotion and prevention, which nursing staff are key to, and which can allow earlier identification and intervention for individuals.

For more information, please contact: Rosalind Stainton, Policy Adviser
rosalind.stainton@rcn.org.uk

References

[i] Kings Fund 2020 What is happening to life expectancy in the UK?
[ii] Health Equity in England: The Marmot Review 10 Years On February 2020 n
[iii] https://www.england.nhs.uk/blog/closing-the-gap-on-health-inequality/
[iv] The Health Foundation (2020) 'Will COVID-19 be a watershed moment for health inequalities?'
[v] PHE (2020) COVID-19: Understanding the impact on BAME communities
[vi] PHE (2020) Disparities in the risk and outcomes of COVID-19
[vii] The Health Foundation 'What makes us healthy' 2018
[viii] National Audit Office A short guide to local authorities 2017
[ix] Health Equity in England: The Marmot Review 10 Years On February 2020 n
[x] Institute for Fiscal Studies 2019 English local government funding: trends and challenges in 2019 and beyond
[xi] Local Government Association, Estimates day debate on the spending of the Ministry of Housing, Communities, and Local Government parliamentary briefing, 2020
[xii] HM Treasury 2020 Spending Review
[xiii] UCL 'Vulnerable families at risk as health visitor workloads increase' 29 July 2020 https://www.ucl.ac.uk/news/2020/jul/vulnerable-families-risk-health-visitor-workloads-increase#:~:text=Health%20visitors%20are%20concerned%20that,to%20a%20new%20UCL%20survey.
[xiv] Is an ounce of prevention worth a pound of cure? Estimates of the impact of English public health grant on mortality and morbidity. / Martin, Stephen; Lomas, James Richard Scott; Grant, University of York. York, UK : Centre for Health Economics, University of York, 2019. (CHE Research Paper; No. 166)
[xv] 2012 Health and Social Care Act
[xvi] Cabinet Office and DHSC 2019 'Advancing our health: prevention in the 2020s'
[xvii] The Health Foundation 2018 response to Public Health Grant funding announcement https://www.health.org.uk/news-and-comment/news/new-reductions-to-the-public-health-grant-will-heap-more-pressure-on-local
[xviii] IPPR 2019 Hitting the poorest worst? How public health cuts have been experienced in England's most deprived communities
[xix] Local Authority Circular LAC(DHSC)(2020) 2 PUBLIC HEALTH RING-FENCED GRANT 2020/21 Published March 2020
[xx] The Health Foundation response to the public health grant allocations 2020 https://www.health.org.uk/news-and-comment/news/response-to-public-health-grant
[xxi] Para 6.9 Spending Review 2020
[xxii] DHSC, 18 August 2020, Government creates new National Institute for Health Protection https://www.gov.uk/government/news/government-creates-new-national-institute-for-health-protection
[xxiii] Institute for Fiscal Studies 2019 English local government funding: trends and challenges in 2019 and beyond
[xxiv] Health Foundation (2020) https://www.health.org.uk/news-and-comment/blogs/covid-19-five-dimensions-of-impact
[xxv] RCN (2017) The Best Start: the future of children's health and RCN (2018) The Best Start: The Future of Children's Health – One Year on Valuing school nurses and health visitors in England
[xxvi]NHS Digital. NHS Workforce Statistics May 2020. 20 August 2020..
[xxvii] NHS Digital. Independent Healthcare Provider Workforce Statistics - September 2019, Experimental. February 2020.
[xxviii] Institute of Health Visiting 2020 State of health visiting
[xxix] The Guardian 'Overstretched health visitors caring for up to 2,400 families each' 4 October 2020 https://www.theguardian.com/lifeandstyle/2020/oct/04/fears-for-mothers-and-babies-covid-19-health-visitor-crisis-mental-health-breastfeeding-england
[xxx] Social care workforce data from Skills for Care - *State of the adult social care sector and workforce in England* report (October 2020).
[xxxi] House of Commons Housing, Communities and Local Government Committee Local government finance and the 2019 Spending Review Eighteenth Report of Session 2017–19
[xxxii] Health Service Journal 23 April 2019 'Pay deal row erupts between government and NHS England' https://www.hsj.co.uk/finance-and-efficiency/pay-deal-row-erupts-between-government-and-nhs-england/7024917.article