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# TESTS FOR A CREDIBLE HEALTH POLICY

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The Health Foundation's policy  
recommendations in the run up  
to the 2015 general election

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# INTRODUCTION

£120m

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*“We have invested over  
£120m to help the NHS  
improve quality.”*

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*The Health Foundation is an  
independent charity working  
to improve the quality of health  
care in the UK.*

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Over the past 15 years we have invested over £120m to help the NHS improve the quality of care.

Underpinning all our work is an evidence-based focus on the quality of care, and a relentless determination to make care even better. We share this ambition with the people we work with across the NHS.

Over the next five years we ask all political parties to have the same ambition to improve the quality of health and health care.

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# THE CHALLENGE IN ENGLAND FOR THE NEXT FIVE YEARS

NHS services are at risk. There have been significant advances in the quality of care over the last 15 years. But this progress is starting to unravel in some areas, highlighted by our joint QualityWatch programme with the Nuffield Trust.

There also continues to be huge variation in the quality of care provided. This is combined with additional spending pressures of around 4% above inflation every year, resulting in a potential funding gap of £30bn by 2020/21.

In order to meet this enormous challenge, there is consensus that over the next five years the NHS in England needs to focus on three aims:

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- 1 MAINTAINING AND IMPROVING CARE QUALITY NOW**
  - 2 TRANSFORMING THE WAY CARE IS DELIVERED FOR THE FUTURE**
  - 3 ACHIEVING FINANCIAL BALANCE**
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These aims for the NHS are tough but right. Failing to meet any one of them would have serious consequences for the NHS and the care patients receive. The critical test in the run up to the 2015 general election and beyond is whether the parties' policies are credible in being able to achieve all three of these aims.

# 5 YEARS 3 AIMS 9 ACTIONS

- Aim 1: Actions**
1. Increase transparency to make an NHS based on learning
  2. Support and invest in excellent management
  3. No upheaval of administrative structures



- Aim 2: Actions**
4. Create transformation fund
  5. Publicly lead the need for the NHS to change
  6. Assess providers of NHS care on ability to make change

- Aim 3: Actions**
7. Commit to a minimum of £8bn funding above inflation by 2020/21
  8. Establish consensus on longer-term NHS funding levels
  9. Monitor impact of public spending cuts on health

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## OUR THREE TESTS

So, what would a credible English health policy look like in order to achieve these aims over the next five years?

Here we outline what we think are the three tests that all policies should be assessed against:

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**1** WILL THE POLICIES MAINTAIN OR IMPROVE QUALITY IN THE SHORT TERM?

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**2** WILL THE POLICIES TRANSFORM NHS CARE FOR THE MEDIUM TO LONG TERM?

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**3** WILL THE POLICIES ACHIEVE FINANCIAL BALANCE?

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## Will the policies maintain or improve quality in the short term?

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The quality of care provided to patients is determined by individuals and organisations at the NHS frontline; the role of politicians and policy makers must be to support them. In order to drive out unacceptable variation, the NHS needs to become a system based on learning and improvement from top to bottom. However, England lacks a comprehensive strategy for how we will achieve such a system.

NHS staff and organisations often do not know where variation in the quality of care exists. The starting point must be for all parts of the NHS to use data and information to understand variation and improve its quality of care.

**“The NHS needs to become a system based on learning and improvement from top to bottom.”**

The next government must prioritise making national data as freely available as possible (while maintaining patient confidentiality and ensuring appropriate safeguards are in place), alongside pushing organisations to develop their own data and IT systems as a key quality improvement tool.

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*“The NHS must use data and information to understand variation and improve its quality of care.”*

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Our work on safety measurement and monitoring, which looks at how to use data to inform learning and action at a local level, is one example of how information and measurement may contribute to higher quality care for patients.

Understanding the need to improve care must be accompanied by the skills and resources to make it happen. Compared to other industries and international health systems the NHS is underpowered in this respect, particularly in terms of management expertise. Politicians must switch from seeing management as a dirty word, to publicly making the case for the importance of excellent management and introducing a thorough programme to build much needed skills in this area.

Through a set of intelligent actions the next government can make the job of improving quality for frontline staff easier. However, it also has the potential to make that job much harder; further administrative structural change is likely to distract the relationships needed to improve the quality of care and should be avoided at all costs.

## OUR ACTIONS FOR POLITICIANS:

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- 1 Make the NHS more transparent and increase the use of data to improve outcomes and reduce variation.
- 2 Publicly make the case for the importance of excellent management to the quality of care, and launch a programme to boost basic management skills in the NHS.
- 3 Provide system stability, not upheaval of administrative structures.

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Will the policies transform NHS care for the medium to long term?

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“Major change will simply not happen without dedicated resource and support.”

The *Five year forward view* sets out a vision for a future NHS based on prevention, patient control and a transformation in how the NHS delivers care. We agree this is the right vision for the NHS, but the key question now is **how** such change is delivered.

As we set out in our *More than money* report, major change to the way care is delivered will simply not happen without dedicated resource and support. Too often, the NHS is trying to meet 21st century needs and expectations through 20th century delivery systems.

Through transforming service delivery, health care can reap the same benefits of greater efficiency and user satisfaction that has been seen in, for instance, the banking, retail and travel industries. Doing so will require health care to embrace methods common to these transformations such as giving people an active role in ‘producing the goods’, online access to services, and use of data to understand and predict demand.

Making this shift from current to future models will require some double running. A specific ‘transformation fund’ is required to underpin significant change, and must be in addition to the money the NHS needs to deliver existing services.

This focus on transformation should be backed up by how the performance of NHS organisations is assessed. Currently assessment is predominantly focused on short term performance, such as waiting times. However, in order to support long term transformation, a more nuanced form of assessment is required. This should include frontline practical quality improvement skills and health care providers’ progress in making long-term change.

The next government needs to support, not block, significant change to how care is delivered. This means making the case for change publicly and sticking to it in the face of opposition. It also means shifting the government’s relationship with the NHS from blame to support, backing a focus on improvement and risking failure in order to improve care.

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*“The next government needs to support, not block, significant change to how care is delivered.”*

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## OUR ACTIONS FOR POLITICIANS:

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- 4** Establish a properly resourced transformation fund to provide the financial assistance necessary to underpin changes that will improve quality and productivity.
- 5** Provide strong, public leadership on the need for change to the way care is delivered across the NHS, and give political support to NHS staff and organisations transforming care.
- 6** Assess providers of NHS care on their approach to learning and quality improvement and progress in making changes as well as their current performance.

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## Will the policies achieve financial balance?

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Over the last four years, NHS finances have been protected from the full impact of the government's attempts to tackle the fiscal deficit. Yet despite increases in NHS funding of 0.9% a year above inflation, the service is showing growing signs of financial distress with the majority of NHS hospitals now struggling to balance their budget. The government has had to find additional resources for the service for both 2014/15 and 2015/16.

We estimate that pressures on the health budget will continue to rise by at least 4% a year over and above inflation. The NHS needs to make every effort to improve its productivity and modernise care to ensure that it can meet the needs of a growing and ageing population and minimise the need for additional public funding. NHS England's plans to modernise the NHS, outlined in their *Five year forward view*, are designed to increase the rate of health service productivity gains to 3% a year by 2020/21 – significantly above past improvements (1.0–1.5% a year).

Even with this demanding productivity target, NHS England recognise that health service funding will need to increase above inflation and beyond the rate of growth seen over the current parliament. The NHS will need year on year increases of around 1.5% above inflation, amounting to £8bn extra in 2020/21 (in 2014/15 prices). Our analysis suggests this is the minimum amount needed to maintain NHS services over the next parliament.

**“We estimate the funding pressures on the NHS will increase by £65bn above inflation by 2030/31.”**

If pay pressures turn out to be higher than anticipated, the NHS will need further resources.

Beyond the current parliament, our analysis\* shows health funding pressures will continue to grow beyond the rate of inflation and slightly ahead of economic growth – £65bn more above inflation will be needed by 2030/31 if health service productivity increases at 1.5% a year (in 2014/15 prices).

Over recent decades increased health spending has been possible as funding for other public services has reduced as a share of GDP, creating headroom for the health service without the need to increase taxes. It is difficult to see how this can continue indefinitely and there needs to be societal agreement about the levels of funding for the NHS in the longer term.

The NHS only determines a small extent of how healthy our population is, with wider social determinants (such as our work and lifestyle) also having a significant influence.

As such, politicians need to explicitly monitor the impact of wider changes to public spending (especially, but not exclusively social care) on the NHS, and health outcomes more broadly.

*\*Visit [www.health.org.uk/fundingbriefing](http://www.health.org.uk/fundingbriefing)*

## OUR ACTIONS FOR POLITICIANS:

- 7** Commit to the annual additional funding requirements set out in the *Five year forward view*, which rise to a minimum of £8bn of additional funding above inflation in 2020/21.
- 8** Establish a public and political consensus on longer-term NHS funding levels.
- 9** Explicitly monitor the impact of wider spending cuts on the NHS, and health outcomes more broadly.

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## *The task for politicians is tough. But the task for the NHS is even tougher.*

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As the pressures on the NHS mount, it is essential that all political parties must be transparent about their plans for the NHS and open to constructive scrutiny from the public and the NHS itself.

To understand whether the policies of the different parties will maintain and improve the quality of care, both now and in the future, it is essential for politicians to demonstrate how their proposals address the three tests for a credible health policy. Failing to meet any one of these tests would have serious consequences for the NHS and the care patients receive.

**For more information visit our general election section: [www.health.org.uk/generalelection](http://www.health.org.uk/generalelection)**

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## 9 ACTIONS FOR POLITICIANS:

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- 1 Increase transparency to make an NHS based on learning
- 2 Support and invest in excellent management
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- 4 Create transformation fund
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- 7 Commit to a minimum of £8bn funding above inflation by 2020/21
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