

► Consultation Response

► Budget and NHS Long Term Plan Inquiry

London Councils Response

London Councils represents London's 32 borough councils and the City of London. It is a cross party organisation that works on behalf of all its member authorities regardless of political persuasion.

1. Introduction

1. London local government has absorbed a cumulative reduction in core funding of over £4 billion in real terms since 2010. A further £1.5 billion of savings are needed over the next three years. After nine years of efficiencies, transformation programmes, sharing services, reducing back office functions, outsourcing and with 50,000 fewer staff than in 2010 (a reduction of over a quarter), some councils are reaching the limit of what is possible without putting vulnerable residents at risk or shunting demand onto other public services, including the NHS, the police, and schools.
2. London's population is currently 8.9 million and is expected to increase to 10.3 million by 2041. It is important to factor this growth when determining London's funding allocation, as an increasing demand on our services is inevitable.
3. Over the past few years it has become increasingly evident that the NHS is co-dependent with local government services, particularly social care services and public health. London Councils believes that the NHS Long Term Plan should give greater consideration to the role and contribution of councils in the wider health and social care system if the ambitions set out in the plan are to be achieved.
4. London Councils' submission to the Health and Select Committee focuses on three areas; public health, social care and education and training.

2. The funding needed in these areas to support the NHS Long Term Plan

5. The NHS is only one part of the health and care system. It has become increasingly evident that failings in other parts of the system can directly impact the performance of the NHS. Acknowledging these interdependencies and ensuring that all parts of the system are appropriately funded is critical for ensuring the successful implementation of the Long Term Plan.

Social Care

Children's social care

6. Nothing is more important to London boroughs than protecting and supporting children in their communities. Children's services is the only area of their spending that has increased in real terms since 2010. However, children's services in London face a shortfall of £300 million in 2019/20. This shortfall is made up of a 20 per cent rise in spending on looked after children (contributing £116 million), a 30 per cent rise in spending on family support services (adding £49 million) and a 57 per cent rise in spending on unaccompanied asylum-seeking children (adding £21 million), alongside a shortfall in spending on High Needs of almost £111 million.

Key Issue

The Spending Round must provide a minimum of £300 million funding to address the current shortfall. A fuller Spending Review must deliver a sustainable funding settlement to address the fact that 90 per cent of all councils are now overspending on these vital services.

Adult Social Care

7. The government has made six funding interventions in the last three years (these include revisions to the IBCF funding levels and the flexibility to increase the ASC Precept, as well as four one-off grant awards to address extreme service pressures and winter pressures), yet boroughs still face a shortfall.
8. The Adult Social Care Precept is expected to raise £41m in 2019/20 and was implemented by all but one London boroughs over its three years. However, the scheme is entering its final year and once it comes to an end it will add further pressure to local budgets for those councils that have depended on it over the past few years. This could see local funding pressures increase in 2020/21.
9. Taking into account new cost pressures, London Councils estimates that by 2025 London will have an adult social care funding gap in the region of over half a billion pounds (£540 million).

Key Issue

London Councils is calling for an end to short term funding allocations and for the government to meet the estimated long-term funding gap, which is expected to rise to £540 million by 2025.

Public Health

10. London's share of the Public Health Grant has fallen to £630 million, representing a per head funding reduction from £80.75 in 2015 to £68.61 in 2019, which is the biggest regional reduction in England.
11. In real terms if public health allocations had kept pace with inflation and population growth, London would receive £811.48 million in 2019/20, representing a 16 percent difference from the current funding position.
12. This should be seen in the context that the NHS spends £97 billion each year on treating disease and only £8 billion preventing it across the UK.

Key Issue

London Councils believes the Spending Round must be used to return public health funding to previous levels (16 percent above current levels in London) and set out how Government will take steps towards funding preventative services in a way which recognises not only population growth, but other factors including health inequalities, meeting unmet needs, and deprivation indicators.

Education and training

13. The delivery of the commitments in the Long Term Plan are dependent on having the right skills in the health and care workforce. Investment in education and training to get the right workforce is therefore essential for delivery of the Plan.
14. For example, the ambitions set out in the LTP relating to the expansion of maternal and neonatal services and a drive towards greater integration of primary and community services is entirely dependent on capacity within the health visiting workforce, which was transferred to local government in 2015. NHS Digital figures show that since 2015, there has been a decrease of 23% in health visitor numbers in London. Consequently, in London there are now 496 children under the age of 5 per health visitor, compared to 435 nationally. These figures represent only those health visitors employed by NHS Trusts and are therefore not totally representative of the current workforce situation, given the decision of some local authorities to move health visiting services in house. The number of nursing staff in schools has also dropped by 19% nationally over the same period, and by 12% in London.¹
15. Educational Psychologists (EPs) are similarly a crucial workforce to the implementation of LTP commitments relating to children and young people, however public sector recruitment of EPs has fallen by a third between 2015 and 2017 and 68% of Principal Educational Psychologists report experiencing difficulties in recruiting to fill vacant local authority posts.²

¹ NHS Digital – workforce statistics, Jan 2019.

² DfE – Research on the Educational Psychology Workforce, March 2019.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/787417/Research_on_the_Educational_Psychologist_Workforce_March_2019.pdf

16. Similarly, the social care workforce is also facing high levels of challenge. Recruitment and turnover in the health and adult social care workforce is becoming increasingly challenging, particularly recruitment to certain roles in the sector. In 2017/18 vacancy rates reached 15 percent in London (Skills for Care 2018)³. Vacancy and turnover rates for all staff groups are generally higher in domiciliary care agencies than in care homes. Specifically, vacancy rates are highest among regulated professions that include registered nurses, occupational therapists, allied health professionals and social workers.
17. Like other regions, London has seen a growing dependency on agency, bank and locum staff to mitigate the risks caused by vacancies.

Key Issue

Vacancy rates, and difficulties in recruitment and retention of the workforce, particularly amongst regulated professions such as registered nurses, occupational therapists and social workers, should be addressed, and clear and deliverable plans put in place.

Significant investment in education and training is needed to attract people to the non-NHS professions, for example to the field of nursing in public health, health visiting, residential homes etc. Investment will help to retain support and build on the existing workforce ensuring a workforce that is fit for purpose to meet the demands of the Long Term Plan.

3. The potential impact on the implementation of the Plan of a failure to provide the necessary funding in these areas

Impact of failing to fund children's social care

18. The Plan's ambitions for ensuring that children and young people have a strong start in life from birth through to adulthood are welcome. However, the NHS cannot deliver these ambitions on its own and will need to work closely with councils if it is to succeed. Failure to appropriately fund children services could result in an increase in a range of issues that could increase demand on the health service and hamper the Plan's ability to meet its ambitions towards children. For example, more young people in London are coming to the attention of children's social care with a complex mix of needs, including social, emotional and behavioural, learning difficulties and having an Autistic Spectrum Disorder. Some of those same children are falling victim to criminal or sexual exploitation, including through involvement in gangs and county lines. This inevitably impacts the NHS, for example tackling the outcome of violence and impact on mental health and wellbeing of young people. However, there are also significant responsibilities which the NHS has to meet the needs of many of these same young people, including responsibilities to meet needs identified through Education and Health Care Plans, for example.

³ Skills For Care London Report (2018) <https://www.skillsforcare.org.uk/NMDS-SC-intelligence/Workforce-intelligence/documents/Regional-reports/Regional-report-London.pdf>

19. Given the increasing number of children with special educational needs or disabilities requiring Education, Health and Care Plans (there has been a 31% increase in London since 2014/15), greater investment in early intervention for this cohort can reduce costs to the NHS and assist the implementation of the LTP, as delayed access to support can commonly enhance health and care needs.

Key Issue

Children's social care must be fully funded to enable councils to fully support children and help them to get the right support when they need it within the community. This will help to prevent the escalation of complex issues amongst children.

Impact of failing to fund adult social care

20. Adult social care plays a critical role in helping to manage some of the demand on the health services. Failure to provide the sector with appropriate levels of funding can have an extensive impact on the health service and deliverability of the LTP.
21. This can be illustrated through analysis of delays in transfer of care. Adult social care departments have been working closely with their health partners to try and reduce these delays. Local partners in London have put in place a range of different interventions and schemes to help them in the management of discharges from hospital.
22. London has been successful in reducing delays in transfer of care and this means that London is successfully helping a significant number of people to avoid unnecessary hospital stays freeing up hospital beds that the NHS can use for those people that actually need to be in hospital.
23. Using [NICE costing analysis](#), London Councils estimates this reduction has saved the £4.6 million between 2017/18 and 2018/19 by reducing delays in transfers of care.

Key issue

Local authority social care departments are effectively moving people out of hospital this is creating savings for the NHS. These savings must be reflected in increased funding for local authorities to ensure that the costs of providing services for this cohort are not unsustainably transferred from the NHS to local authorities.

Social care services must be appropriately funded as evidence has shown that failings in social care will result in increased demand on health services; this would have implications for the Long Term Plan.

Impact of failing to fund public health

24. Underfunding public health, and a lack of investment in prevention schemes, could result in an escalation of certain illnesses and conditions, which in the long term could negatively impact the implementation of the Long Term Plan. For example:
- i. As a result of borough prevention activities and campaigns, such as the Do It London campaign run by the London HIV Prevention Programme, the number of sexual health consultations in London is increasing overall, with 26,000 new sexual health consultations in the capital in 2018, an increase of 3%. Since 2014, new sexual health consultations increased by 120,000 (14%) and screening for sexually transmitted infections (STIs) by 108,000 (20%). Despite the increase in testing there are concerns that some sexually transmitted infections (STIs) are increasing dramatically. PHE indicates, that in 2017 there were 117,000 new STIs diagnosed in London, of the highest prevalence in the country, 17 out of the 20 were in the London area. Failing to control the spread of STIs has consequences for the NHS causing infertility, pelvic inflammatory disease and harm to unborn babies.
 - ii. Childhood obesity services are non-mandatory and have seen cuts of 13% in London since 2015/16. Over this period, childhood obesity rates in London have remained persistently high at year 6 (the highest in England), with 37.7% of this cohort overweight or obese. Obese children are more likely to stay obese into adulthood, and obesity is already estimated to be responsible for 30,000 deaths each year and cost the NHS £6.1 billion, and wider society £27 billion.⁴ Escalating obesity costs could hamper implementation of the plan. A number of London boroughs have implemented innovative childhood obesity interventions, for example the 'Go Golborne' programme was implemented in a deprived area of the Royal Borough of Kensington and Chelsea and resulted in an increase in active travelling, and a reduction in consumption of unhealthy drinks.
 - iii. Smoking and tobacco services have seen the biggest decline with a 37% cut over two years to 2017/18. Underfunding will result in these services being scaled back or withdrawn completely.
 - iv. The prevalence of severe mental illness has shown a steady increase over time, with 6.9% of the population experiencing severe symptoms of mental disorders in the past week in 1993, rising to 9.3% in 2014.⁵ Similarly the recorded prevalence of depression in those aged 18 and over in London has increased from 4.8% in London in 2013/14 to 7.1% in 2017/18.⁶ Given the persistent increase in demand for mental health treatment services, the commitments within the Long Term Plan to expand and improve mental health provision cannot be met without additional investment in early help and preventative services.

Key Issue

⁴ <https://www.gov.uk/government/publications/health-matters-obesity-and-the-food-environment/health-matters-obesity-and-the-food-environment-2>

⁵ NHS Digital, Mental Health & Wellbeing in England, Adult Psychiatric Morbidity Survey 2014

⁶ NHS Digital, Quality and Outcomes Framework (QOF) 2017/18

Each year, the NHS spends £97 billion treating disease and only £8 billion preventing it across the UK. Increasing public health funding will provide greater opportunity to continue to provide early intervention measures at greater scale to help to avoid poor health. Increasing funding for prevention activities will help to reduce the escalation of diseases and illness resulting in healthier communities and long-term savings for the NHS.

Impact of failing to fund education and training

25. Public health and social care are both facing staff shortages which can be addressed by increasing levels of training and education for the sector. For example, vacancies in adult social care are rising, currently totalling 110,000, with around 1 in 10 social worker and 1 in 11 care worker roles unfilled. Similarly there are approximately 41,000 vacancies across the NHS nursing workforce in England, including within health visiting and school nursing workforces.

Key Issue

For successful implementation of the Plan, investment is required to address workforce issues to ensure it is fit for purpose, can work in new ways and there is greater equality between the health, public health and social care workforce.

4. The impact on the wider economy and other public services of investment in these areas

Investment in these areas can have both an amplifying impact where services are already driving economic benefits, for example in building a skilled and productive workforce, as well as a reversing impact in alleviating and preventing costs related to health and care needs.

Social care

26. Adult social care as a sector contributes £38.57 billion nationally to the economy and £5.24 billion to London's economy. With a national wage bill of £19.4 billion (£2.42 billion in London) it is a sector that helps to improve many lives that are linked to it be it providers, employers or employees.
27. A failing adult social care sector would therefore have far reaching consequences on the wider economy for example in its research⁷ Skills for Care found that the indirect effects of intermediate purchases made by the adult social care sector contributed an additional 603,500 jobs to the sector and between £10.4 billion and £10.9 billion of GVA in the UK. The induced effects (associated with the purchases of goods

⁷ Skills for Care, 2018 London report.

⁸ <https://www.skillsforcare.org.uk/Documents/About/sfcd/Economic-value-of-the-adult-social-care-sector-UK.pdf>

and services by individuals directly or indirectly employed by the sector) were estimated to support a further 251,300 jobs and £11.1 billion to £11.7 billion of GVA in the wider economy.

28. It is estimated that the cost of late intervention for children and young people facing severe problems in England and Wales totals £17 billion per year, and the total cost in London is £2.5 billion.⁹ These costs fall across the wider economy, the largest shares are borne by local authorities (£6.4 billion), the NHS (£3.7 billion) and DWP (£2.7 billion). Therefore, investment in children's social care and public health interventions to help children have the best start in life would have a considerable impact on the wider economy.
29. Impact on the wider economy of investment in public health
30. An example of the impact of public health is set out below:
31. Mental illness costs the UK economy £110 billion per year and represents 10.8% of the health service budget.¹⁰ Similarly mental ill-health in London is estimated to cost London Boroughs £550 million in addressing mental health issues, and business and industry £10.4 billion.¹¹ Beyond the economic costs, living with severe mental health problems can reduce life expectancy by 20 years, and impact upon participation in work and education. Therefore, investment in preventative mental health can have a far-reaching impact on society as well as mental health treatment costs. Given that preventative mental health interventions have been found to be cost-effective, with some preventative mental health interventions giving a return on investment of up to £39.11 per £1 spent,¹² investment in this area should be increased.
32. Impact on the wider economy of investment in education and training
33. Increased investment in education and training will have a positive impact on the wider economy in a number of ways;
- i. Improving skill levels of more people through an expansion of health and care pathways and filling current vacancies will help to increase the number of people in employment and increase the sector's economic contribution to the sector. If the current vacancies which currently stand at over 110 000 in adult social care were to be fulfilled this would increase the total contribution of the sector to economy.
 - ii. Having a better more skilled workforce will also result in improved and better health comes for people as they will get the support that they need which will have a positive impact on for example absenteeism as more people will be fit for work.
 - iii. An increase in education and training will result in increased numbers in the workforce allowing for lower caseloads for example for social workers. This would result in more problem being picked up

⁹ <https://www.eif.org.uk/files/pdf/cost-of-late-intervention-2016.pdf>

¹⁰ http://www.euro.who.int/_data/assets/pdf_file/0009/278073/Case-Investing-Public-Health.pdf

¹¹ <https://www.london.gov.uk/press-releases/mayoral/mayor-launches-thrive-ldn-to-improve-mental-health>

¹² http://eprints.lse.ac.uk/85944/1/McDaid_Commissioning%20cost-effectgive%20services_2017.pdf

sooner before impacting the wider economy for example, it would potentially be possible to identify and provide support sooner to children at risk of getting involved in crime before it escalated. This would result in reduction of pressures on the youth justice system and police.

5. Conclusions

34. London Councils welcomes the opportunity to contribute to the ongoing discussion regarding the Budget and NHS Long Term Plan, particularly on public health and social care. London boroughs are at the forefront of delivering improved care, health and well-being and promoting a reduction in health inequalities within London's communities, despite a challenging funding environment.

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