BMA Submission: Darzi Review – Finance, Capital, Productivity

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Note: these slides were updated on 14/08/2024 to correct an error regarding the total NHS maintenance backlog

August 2024

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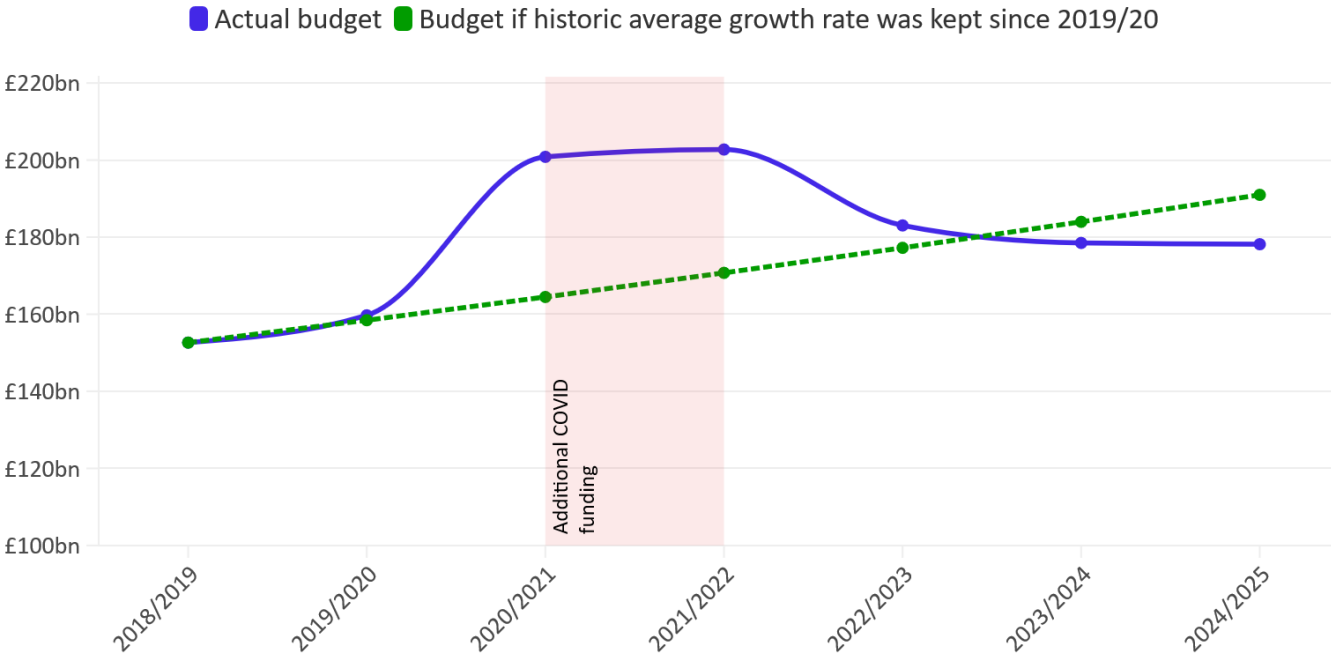
Summary statement:

Healthcare estates have been starved of capital funding, with long-term underinvestment creating vast maintenance backlogs, preventing vital expansion and modernisation, and undermining the wellbeing and safety of staff and patients. Inefficient and outdated IT hardware and systems negatively impact patient care, morale, and productivity. During the period of economic austerity, revenue and running costs often took precedence over longer-term capital investment – and £4.3bn was explicitly transferred out of English capital budgets between 2014/15 and 2018/19. Insufficient investment limits capacity, with insufficient space to accommodate additional staff or improve access to care in hospitals and GP practices.

The day-to-day health budget has been below average, despite additional COVID funding

DHSC RDEL budget excl. depreciation, real terms (2023/24 prices)



Source: BMA analysis of PESA 2023 , and Spring Budget 2024 • Real terms are 2023/24 prices based on March 2024 GDP Deflators. The historic average growth rate is 3.8%, based on real-terms RDEL funding excluding depreciation between 1999/2000 and 2018/19.

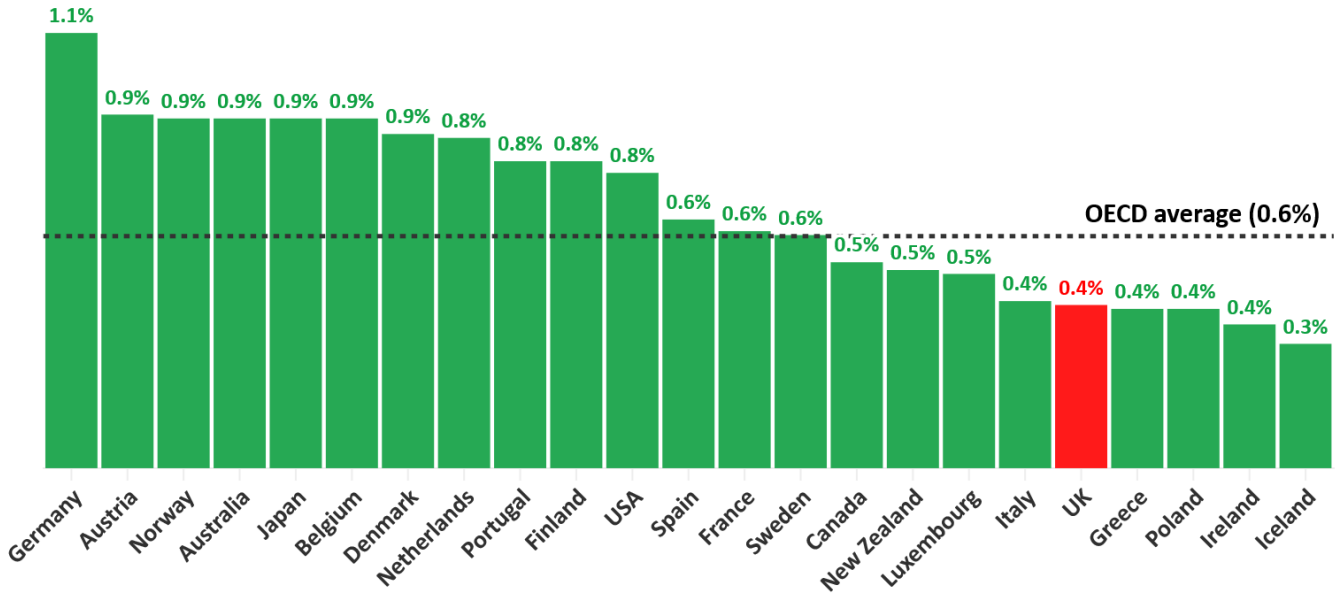
Revenue funding has fallen below the historic average, limiting day-to-day resources and straining budgets.

Despite increased funding during the COVID-19 pandemic, DHSC revenue funding has fallen below the historic average growth rate. This means that services are working with strictly limited resources that have not expanding in line with population need, complexity of care, growth in comorbidities, and an aging population. This presents severe challenges for services and has fuelled considerable deficits amongst providers and ICBs (Integrated Care Boards) which have seen many held to strict recovery plans that have included staffing cuts, short-term efficiency targets, and restrictions on capital - none of which support timely or high-quality care.

Capital spending on health in the UK is low compared to similar countries

Share of GDP spent on capital formation in the healthcare system

Average 2017-21 (or nearest year)

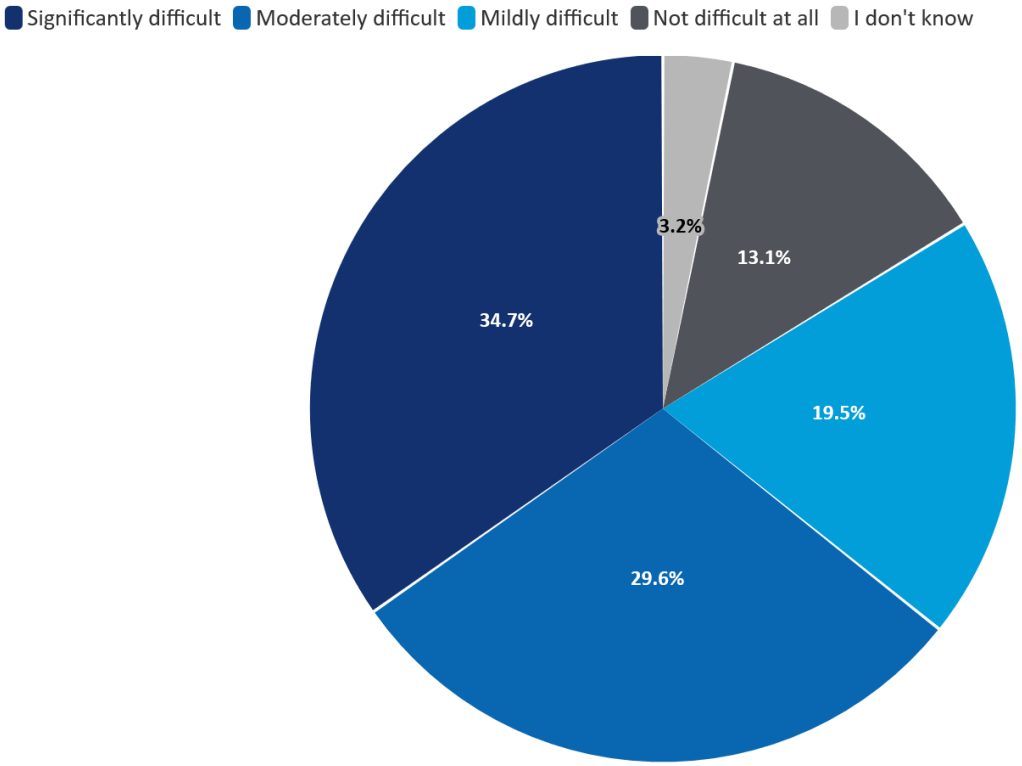


Source: OECD: Gross fixed capital formation in the health care system • Includes public as well as private spending. OECD average is for the 2017-2021 period.

Low capital spending on health has created serious, long-term problems across the NHS.

This has impacted the capacity, quality, and safety of its physical infrastructure, including estates and IT. Underinvestment has been compounded by frequent shifting of capital funding to prop-up inadequate revenue budgets, causing the maintenance backlog in England to grow drastically – currently a record high £11.6bn (2022/23), a 13.6% increase on the previous year (2021/22). Low capital investment is also impacting productivity, by limiting the expansion and improvement of staffing and clinical spaces, feeding current crises of corridor care and delayed discharge. This underinvestment, combined with insufficient revenue budgets, has been one of the most critical factors limiting NHS productivity.

In your experience, has it been difficult to find space within your place of work (e.g. NHS hospital or GP practice) to provide or receive training or education?

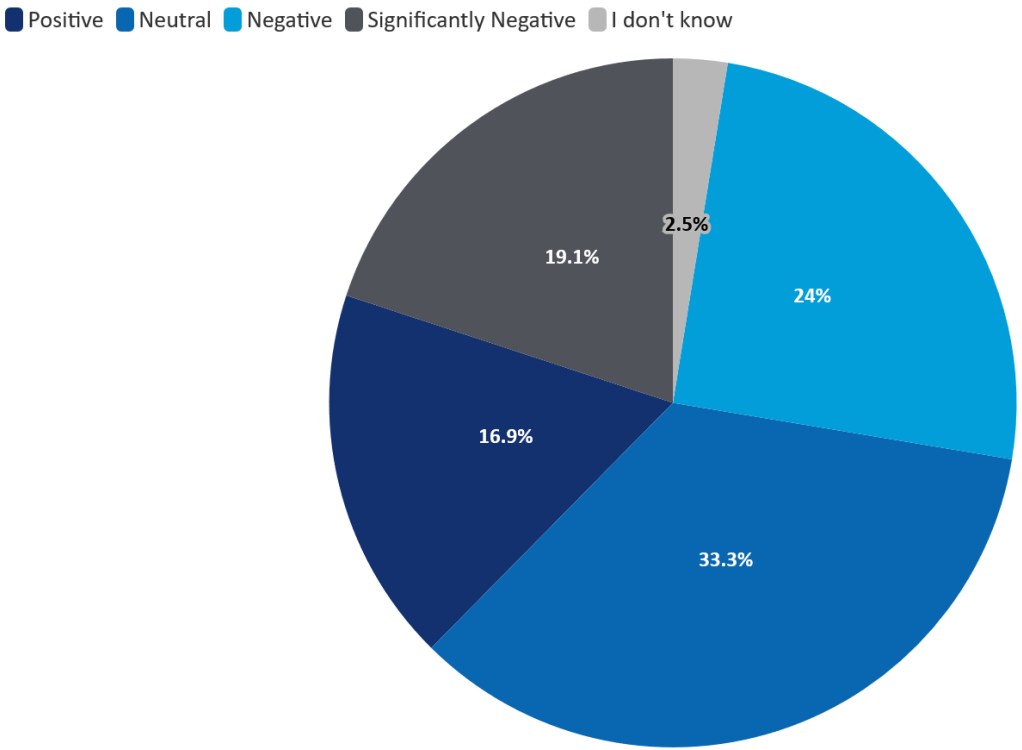


Source: BMA estates and IT survey 2022, published under Building the Future: Healthcare Infrastructure Reports

Underinvestment in NHS estates has limited the space available to accommodate and train staff.

As shown in this chart, a UK-wide BMA survey of members found that a critical impact of this is the lack of adequate space to provide training or education within the NHS – in both hospitals and GP practices. This impedes the development of future NHS staff and the long-term sustainability of the health service. This lack of capacity also limits the recruitment of additional staff, particularly in general practice, where practices frequently lack room for ARRS employees. Plans to expand NHS staffing have failed to account for this absence of physical capacity and longstanding underinvestment in capital budgets and NHS estates and GP premises.

Over the last 5 years, how would you rate the impact of the physical condition of the building in which you work (e.g. NHS Hospital, GP practice) on your ability to provide safe and high-quality care to patients?

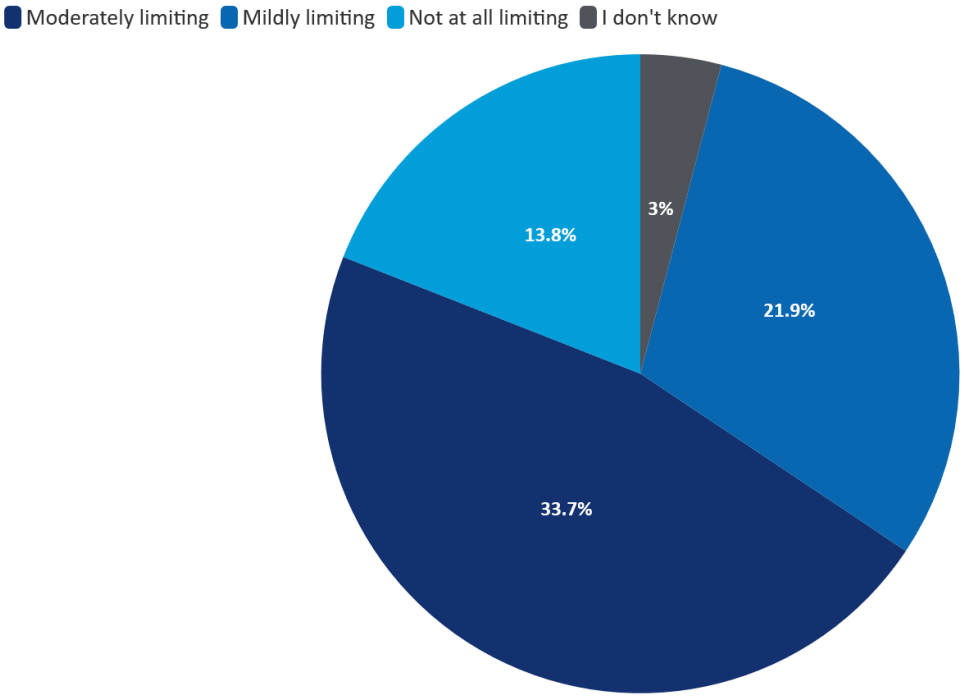


Source: BMA estates and IT survey 2022, published under Building the Future: Healthcare Infrastructure Reports

The failure to invest in NHS estates has seen the maintenance backlog climb dramatically and the quality and safety of many buildings decline dangerously.

Existing estates are not in the condition or configuration needed to provide the quality, efficiency, and safety of care needed. A 2022 UK-wide survey of BMA members found a significant number of those surveyed felt the condition of their workplace had a negative impact on their ability to provide safe and high-quality care. Since this survey was conducted, the total maintenance backlog has worsened significantly. This has wider impacts on system productivity and access to care, with invaluable space often left unusable due to it being unsafe or outmoded. It also means vital resources are used on maintaining safety precautions and remedial repairs, rather than longer-term solutions.

Do you believe the condition of your place of work (e.g. NHS hospital or GP practice) limits your ability to use modern equipment and technology, including modern IT systems, to deliver care?



Source: BMA estates and IT survey 2022, published under Building the Future: Healthcare Infrastructure Reports

The lack of capital investment in the NHS has undermined its capacity to adopt new technology and modernise IT systems.

A 2022 UK-wide survey of BMA members found that NHS buildings are often unable to properly accommodate new equipment. This has hindered the ability of the health service to make best use of technology to enhance patient care or to improve its productivity. This problem extends to both the quality of IT hardware and software in many NHS buildings, which in turn can severely limit the productivity of doctors forced to rely upon outdated, inadequate technology.

BMA analysis of separate survey data has estimated that 13.5 million working hours are lost yearly in England alone due to delays due to inadequate or malfunctioning IT systems and equipment. This is the equivalent of almost 8,000 full time doctors or nearly £1 billion.