

# Curing the ills of NHS

# Labour's plans for health and social care and what they mean for the future of public services

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## Labour's diagnosis for the NHS

Against the backdrop of its 75<sup>th</sup> anniversary, the state of the NHS has been laid bare. Labour has declared that it faces <u>"an unprecedented immediate crisis and an existential long-term challenge"</u>. While adhering to the principle of being free at the point of access for all patients, the NHS is facing a multiplicity of issues. These centre around long wait times for GP appointments, ambulance services, A&E and hospital treatments, each of which has been exacerbated by the Covid-19 pandemic. Meanwhile, rolling strikes and chronic workforce shortages only add to the issues.

Despite these challenges, the Labour Party is not proposing wholesale reform of the NHS. There seems to be broad acceptance across both major political parties that the answer to those woes cannot always be more funding. To that end, Shadow Secretary of State for Health and Social Care, Wes Streeting MP, has stressed that Labour has to stop <u>"pouring money into a 20<sup>th</sup> century model of care, if we are to meet the challenges of the 21<sup>st</sup> century".</u>

The substantial level of NHS funding delivered by the last Labour government has now been eroded and reversed under the Conservative government. The challenge that faces the NHS today is to obtain the capital required to improve healthcare facilities and patient outcomes. Conservative plans to build 40 new hospitals are <u>set</u> to be missed, with existing facilities sitting in poor condition.

How, then, will Labour approach health policy and the strains of the NHS? Without more money or a bold plan to restructure, how will industry players be impacted by an incoming Labour government? This paper explores Labour's approach to health policy and examines its likely impact.

#### Labour's approach to reform

In February 2023, Leader of the Labour Party, Sir Keir Starmer MP, announced his "five missions" for a Labour Government. These will guide the design of Labour's election manifesto and would act as the guiding principles of his administration. Notably, and reflecting the political salience of the NHS, the first of the five missions to be <u>fleshed out was on health</u>, in May 2023.

Labour's proposed reforms centre around the themes of:

- increased staff training and retention;
- reform of primary and social care;
- moving toward preventive care; and
- improving information flows.

While few would argue with the intent of these proposed reforms, the Party has been <u>criticised</u> by some on the Left for its <u>acceptance that there will remain a role for the private sector</u> while the NHS gets back on its feet. Streeting has been clear in his intent to use <u>"spare capacity in the private sector to bring down waiting lists</u>", ensuring that this remains free at the point of access. Unions, amongst others, have criticised this, saying <u>"the market in healthcare must be dismantled to free up billions for front line services"</u>.

Streeting defends his approach by <u>insisting</u> that there is nothing 'Labour' about tolerating working people sitting on waiting lists indefinitely – and that if the private sector can help to relieve pressure on the NHS, then it is a resource to be tapped.

The direction of travel is therefore clear and stands in stark contrast to the Party's policy approach under former leader Jeremy Corbyn MP, where there was no tolerance for private sector involvement in the provision of public services. Indeed, Streeting and Starmer have been content to allow this to act as a signal to the general public that the Party is pragmatic and eager to work alongside the private sector to deliver public services.

Exactly what these proposed reforms mean in practice – how they will work, and whether the machinery of the NHS is equipped to deliver them – will need to be fleshed out between now and the General Election. For now, and as explored below, the policy direction remains at a high level, allowing scope for industry input so the policies can be shaped in a way that means they are workable and are consistent with the Party's wider policy objectives.

#### Increased staff training and retention

Starmer has said that Labour is <u>"committed to the biggest expansion of NHS training in its history"</u>. Funded via the elimination of non-domiciled tax status, Labour intends to create 7,500 medical school places with 10,000 more nursing and midwifery clinical placements per year. In addition, further funding to remedy the supply of midwives is required after student bursaries for midwives were cut in 2017 by the Conservatives.

Further, as part of a 'Neighbourhood NHS Workforce', Labour would double the number of district nurses and train 5,000 more health 'visitors' to expand "hospital at home services". Streeting points to this long-term strategy as demonstrating Labour's commitment to a public health system and says it shows a plan to move away from reliance on private agencies in the medium-term in order to mitigate staff shortages.

To improve retention, Labour has stressed the need for better treatment of existing staff. While specifics are yet to be set out, Labour has alluded to <u>"looking more broadly at how public sector pay is</u> <u>set, without undermining existing collective bargaining arrangements"</u>. However, with strikes continuing to hamstring the public health service, the Party will continue to come under pressure to more clearly define how it would approach public sector salary discussions.

Given that the NHS pay bill currently <u>totals</u> around £66.2 billion, any increases in public sector pay presents a significant political issue given the money available for public spending is being buried by central government debt and interest payments. This presents an incoming Labour government with a macro economic problem in seeking to make the profession more attractive while holding down the public sector wage bill.

Following the recent Lucy Letby scandal, and the <u>appointment</u> of Lady Justice Thirlwall to lead the statutory inquiry into it, Labour has <u>vowed</u> to establish a new professional regulatory system designed to introduce more accountability on NHS managers. Under these plans, managers would be regulated in a similar fashion to doctors and nurses in that they would be required to perform to a set series of

standards. The plans remain in their early stages and Labour intends to consult on the detail of the system once in office. Labour has also said it <u>would back</u> the introduction of "Martha's rule", which would make it easier for parents to get a second medical opinion in hospital. The Government <u>has said</u> it will explore the idea.

### Reform of primary and social care

Labour has proposed several changes to improve patient access to primary and social care – and this would have the added benefit of reducing the number of patients in hospitals. Amongst other things, this would be achieved by the following policies:

- phasing out GP partnerships and replacing them with salaried NHS GPs;
- introducing a 'Community Pharmacist Prescribing Service', which would <u>expand</u> the role of the community pharmacy by rolling out independent prescribing for common conditions. This aims to mitigate the effects of widespread closures across the system of GP partners and alleviate pressure on existing GPs by expanding prescriptive authority to community pharmacies; and
- a focus on "bringing back the family doctor" and providing more consistent GP services and continuity of care for patients. The logic is that patients, such as those with chronic illness, would benefit from seeing the same clinician.

On social care, Labour is looking toward a 'National Care Service' that it says would reduce the number of patients remaining in hospital care, in turn providing additional capacity for primary care. Labour has pledged to recruit more carers with <u>"better rights at work, decent standards, fair pay and proper training"</u> that will translate into retention.

It says this will be achieved by embracing a 'home first' principle that is underpinned by a shift toward greater integration across health services, allowing more people to be treated at home. The Party is yet to set out how this will be delivered, but the framework signals a direction of travel and the broad policy intent to ease pressure on hospital care.

If it remains, the proposal to smash up GP partnerships is likely to prove controversial. Given the current strain on GP services, any interference with their private earnings may lead to political confrontation and a potential exodus of practitioners from the NHS – on top of those already reaching retirement age.

#### Moving toward preventative care

In an effort to reduce the overall number of patients within the NHS, Labour has outlined a crossdepartmental prevention-led approach. This encompasses policy areas such as food advertising and the labelling of nicotine products.

On the latter, the Party has signalled an intent to curate a roadmap for 'a smoke-free Britain' that would include banning branded vape products and requiring additional information to be put on tobacco products.

#### Improving information flows

In its aim to improve integration between health services, Labour would make the NHS app a <u>"one-stop</u> <u>shop for health information"</u>. Here, patients will also be able to book appointments online, order repeat prescriptions, receive age-related health alerts and notifications to participate in clinical trials. Labour has been clear that patient data will always be owned by the patient themselves and not exchanged with third parties.

Additionally, Labour has expressed its desire to accommodate more information flows between nearby hospitals. One such example is its approach to waiting lists for hospital procedures: should a nearby hospital be progressing through its waiting list more rapidly than another, patients from a second hospital may then be recommended to the other in order to quicken the process.

To support this integration of datasets, Labour <u>says it will</u> help to build a competent regulatory environment for Artificial Intelligence (AI), in order to ensure that the UK is at the forefront of the technology: Labour looks toward health technology as an important driving force in changing how the country's health needs are catered to.

However, cost-overruns in public sector technology transformations are <u>well-known and long-standing</u> and in an age of constrained budgets, the Party will need to be careful not to embark on a new openended and poorly-targeted spending spree. Given the complexity and often disjointed nature of public sector systems, it remains to be seen how practical the implementation of AI will be.

#### Key Labour figures

Beyond the policies themselves, those looking to understand the likely impact of a Labour government on the UK's healthcare sector will benefit from having a sound understanding the incoming Ministerial team.

#### Wes Streeting as Secretary of State

Led by Streeting, Labour's health team has been successful in prosecuting the narrative that the Conservatives have driven the NHS into the ground. Streeting himself enjoys a high profile and is <u>regularly touted</u> as a future leader of the Party. The shadow Health portfolio has helped to enable this rise and has <u>boosted his standing</u> within the Parliamentary Party as a hard worker and good communicator. His recent memoir, *One Boy, Two Bills and a Fry Up,* provides an interesting background to his route into politics.

Streeting has been particularly pleased to take on the unions and hard Left of the Party. His refrain that there is no endless pot of money for the NHS, and his related acceptance that the private sector can help ease the burden on the service, has enabled him to position himself as a moderniser and centrist.

For Streeting, this is more than just a policy perspective: it is a pathway towards further ascendancy within the Party, as the favoured centre-right candidate of the caucus. To his detractors, his ambitious tendencies have been regarded with <u>suspicion and frustration</u>.

This month Starmer further stamped his mark on the Party, conducting a reshuffle in part to respond to the Government's in <u>February 2023</u>, but more importantly to clearly bring forward the shadow Cabinet that he intends to take into the next General Election. Whereas previous reshuffles have had to carefully balance warring factions, this time Starmer was in a position to more assertively stamp his mark on the Party.

In the health space, the reshuffle saw the anticipated <u>departure</u> of Rosena Allin-Khan MP from her position as Shadow Minister for Mental Health, and the removal of the portfolio altogether. She had <u>publicly disagreed</u> with Streeting's approach in certain respects, and in her resignation letter she cited Starmer's refusal to commit to the mental health portfolio being a Cabinet position as the reason for her departure. Furthermore, junior members of the shadow health team were also appointed, with the full team set out below.

## Shadow frontbench

- Wes Streeting MP Shadow Minister for Health and Social Care
- Abena Oppong-Asare MP Shadow Minister for Women's Health and Mental Health
- Andrew Gwynne MP Shadow Minister for Social Care
- Feryal Clark MP Shadow Minister for Health
- Preet Gill MP Shadow Minister for Primary Care and Public Health
- Karin Smyth MP *Shadow Minister for Health*
- Baroness Wheeler Shadow Spokesperson for Social Care
- Baroness Merron Shadow Spokesperson for Health and Social Care
- Ashley Dalton MP Health and Social Care Parliamentary Private Secretary

#### Other influential parliamentarians

- Daniel Zeichner MP Chair of the APPG for Life Sciences and MP for Cambridge
- Chi Onwurah MP *Shadow Minister for Science, Research and Innovation*, who has a particular interest in the life sciences sector
- Paul Blomfield MP Member of the Health and Social Care Select Committee
- Taiwo Owatemi MP Member of the Health and Social Care Select Committee

#### **Other policy influencers**

#### The Fabian Society

As is often the case with policymaking, the wider policy environment can help to illustrate the direction of travel for a given sector. In the case of health and social care, the Fabian Society's report <u>Support</u> <u>Guaranteed: The Roadmap to a National Care Service</u> provides a blueprint for the Labour Party.

<u>Commissioned</u> by Streeting himself, the report, <u>published</u> in June 2023, makes 48 recommendations that aim to transform adult care. Key proposals include:

- increasing expenditure in real terms over ten years;
- working toward parity with the NHS with national terms and conditions; and
- incorporating the UN right to independent living into domestic law.

Given that the recommendations were made directly to Streeting, and in the context of the Fabians' proximity to the present-day Labour leadership, it is unsurprising that much of this thinking meshes well with Labour's health mission. The Fabians' report suggests the ways in which that framework may be coloured over the coming months.

## Socialist Health Association

The socialist societies are a group of Labour-affiliated groups with varying levels of influence over the Party's policymaking process. The strength of these groups and the weight that the Shadow Cabinet gives them depends on the political disposition of the Labour team at the time.

The <u>Socialist Health Association</u> (SHA) has been formally affiliated with Labour for over 90 years and acts as the Party's health affiliate. It advocates for a <u>"socialist, fully free, fully comprehensive, fully publicly funded, fully publicly provided, and fully publicly run health and social care service"</u>. The association is largely composed of those on the Left of the Party, which forms the basis of its <u>leadership</u>.

The SHA has published <u>Conference motions</u> that it will put forward at Party Conference in October 2023. These call for the Party to:

- commit to the elimination of outsourcing and contracting within the NHS, so that the NHS directly employs all those who work within it;
- refuse to accept donations to the Party from private healthcare actors;
- repeal the Health and Care Act 2022; and
- commit to the renationalisation of NHS England.

The ideological positioning of the SHA means it has limited influence within the Party at present. Streeting's willingness to accommodate the private sector in the provision of public healthcare is contrary to the SHA's policy mindset, and his recent speeches have <u>been criticised by SHA leadership</u> for his acceptance that he cannot promise an endless funding boost for the NHS. The SHA remains a relevant voice in Labour's healthcare policy debate, but its influence in reality is very limited at present.

#### The King's Fund

As an independent charitable organisation specialising in the improvement of health and care in England, <u>The King's Fund</u> provides policy expertise to the NHS. Given its independence, The King's Fund does not have an official affiliation with any political party. Rather, its role is to provide impartial analysis, data and recommendations on the healthcare system.

While The King's Fund is independent, it has historically had an influential relationship with the Party and some of its policy recommendations have been <u>adopted</u>. In particular, following The King's Fund work on funding social care, Gordon Brown as Prime Minister committed to free personal care at home for those with the highest needs. This was eventually <u>implemented</u> under The Personal Care at Home Act 2010.

#### **NHS Confederation**

The <u>NHS Confederation</u> represents the whole healthcare system across England, Wales and Northern Ireland by supporting its members with policy advice and analysis. Similar to The King's Fund, the NHS confederation maintains a non-partisan stance and does not hold any political affiliation.

However, much like The King's Fund, the NHS Confederation shares some natural alignment with the Party. Matthew Taylor, its chief executive, previously served as the Director of the left of centre think tank, the Institute for Public Policy Research. Ahead of the May 2005 General Election, Taylor was appointed by Tony Blair when Prime Minister to head the Number 10 Policy Unit, where he was responsible for drawing up the Party's manifesto.

The Confederation therefore holds some influence over the Party as it prepares its health policies and <u>regularly comments</u> on Labour's policy plans on health. In June, Labour used the NHS ConfedExpo as a platform to <u>announce</u> its plans to use AI to cut waiting lists.

#### The Health Foundation

The <u>Health Foundation</u> is an independent charitable organisation that reports on the state of the UK healthcare system and its population. Its most <u>recent report</u> set out the challenge ahead of the NHS, estimating that an extra 2.5 million people will be living with major illness by 2040, and that cases of dementia are expected to rise 45% by the same date.

An incoming Labour government will need to haul the NHS into the 21<sup>st</sup> Century so that the organisation is capable of meeting these challenges. The Health Foundation's work is likely to be picked up by the shadow Health team and recognised as a shocking snapshot of the challenges ahead. Any attempt to influence Labour's health policy will need to reflect the realities of the NHS, such as those set out in the Health Foundation's vital work.

#### How to speak to Labour about health policy

The litany of organisational changes to the NHS has been long and painful, most notably under Andrew Lansley's <u>controversial reforms</u> in 2010 which led to massive cost and disruption. Labour has deliberately only sketched out at a very high level the direction of travel it will take the NHS in if it is elected. A massive funding boost or fundamental restructuring of the service is off the cards: the approach would instead be one of rebuilding.

Against that backdrop, there is plenty of room for the health sector to fill in the gaps for the Party. In such a technical and specialised field, it is important that the Party benefits from on-the-ground insights. Such insights should always be framed around how those policy proposals will help the Party to deliver on its own objectives.

A particular area that is in desperate need of guidance and expert advice is around how AI can help to ease the burdens on the NHS. The Party wants to embrace new technologies and bring waitlist times down – but how to do that remains to be seen. Privacy obligations add an important dimension to considerations in the healthcare context, and so industry will have a welcome expert view on how to balance these competing obligations at the same time as harnessing the prospect of revolutionary new technology.

Streeting's focus on managing the health system 'better', rather than relying on extra funding, will see him lean towards significant improvements in the use of data and patient information. As an incoming Labour government turns to the increased use of telemedicine, it may be that the NHS will require the expertise of external advisers. There may therefore be a need for practical assistance on how to achieve improvements to the NHS, as well as how to implement any new technologies or systems for the benefit of patients.

In addition, the Party's shadow Ministerial team is significantly inexperienced in knowing what it is like to be in government. Despite his bright and rising star, Streeting has never held Ministerial office – the same is true for almost all of the Parliamentary Party. He and his team will benefit from thoughtful advice on how to make their policies work so they can hit the ground running.

Labour's pro-business mindset presents an opportunity for health care providers to respond positively with fresh and practical ideas. The door is open to do so – it is now up to the sector to help fill in the gaps.

#### About the authors



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Jon specialises in regulatory policy challenges and has advised businesses and individuals on political relations, corporate governance, dispute resolution and reputation management. Bringing connections across political parties, the law and industry sectors, as well as particular knowledge of communications challenges arising from competition and anti-trust matters, where he has worked alongside leading legal firms in a wide range of transactions and investigations, Jon leads DRD's competition and anti-trust

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# About DRD

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Our approach combines the deep experience of our senior partner team with rigorous analysis and interrogation of issues. This is to ensure that our programmes deliver meaningful impact.

DRD's partners have held senior roles in government, financial institutions, the law, international corporations, charities and leading public affairs consultancies. By combining our insight into relevant institutions with our experience of engaging stakeholders and delivering campaigns in multiple markets, we ensure that, when clients have only one chance to get things right, we are consistently able to meet and exceed their expectations.

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