



What would Labour do?

Health Edition

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Introduction

GK Strategy is delighted to bring you the next instalment in its **'What Would Labour Do?'** series

As ever, health and social care will be one of the mostly hotly contested political battlegrounds in the run up to the next election. With the NHS and social care system stretched to its limits, both Labour and the Conservatives are going to have to sell the electorate a truly compelling vision for how they plan to create a health and care system fit for the 21st century.

Labour will inevitably point to the Government's recent record – a worsening health and social care crisis driven by the mishandling of the Covid pandemic, rapidly aging infrastructure, repeated instances of industrial action and a decade of funding settlements that couldn't keep pace with rising demand.



The Government will, for its part, highlight what it sees as the significant successes on its watch the world-leading roll-out of the Covid vaccine, strong progress towards system-level integration and person-centred care, and the creation of NHS England Integrated Care Systems (ICSs) to foster local decision-making and operational autonomy from Westminster.

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continued

This report assesses the major challenges in health and social care that an incoming Labour Government would inherit, and the Party's plans for building a financially stable system – not just one that can deal with current issues around workforce shortages and waiting lists, but one that can capitalise on advances in treatment and technology to support everyone to lead longer, healthier lives.

The Party's ambitions for the modernisation of health and social care are clear, but it is not naïve: it knows that a massive injection of new public sector investment is not feasible in the short term. Efficiency savings and doing more with less will continue to drive policymaking decisions.



Quick wins that the party can point to and demonstrate rapid progress will be the order of the day, with longer term strategic planning happening behind the scenes to lay the foundations for more fundamental reform, for example to modernise the GP contract and address health inequalities.

Our advice: engage now, engage with positive solutions, thinking and evidence about how the health and social care sector may better operate. Offer Labour a vision of what good looks like, without reinventing the wheel, and how innovative and thoughtful businesses can help to deliver better patient outcomes in a health and social care system built for the future.

The Political context



Phil Hope
GK Adviser

The future of health and social care with Labour

As the 2024 general election draws nearer and as things currently stand in the polls, Labour looks most likely to form the next government. So, the world of health and social care is increasingly concerned to understand, and to influence, what Labour would do in power.

Wes Streeting MP, Shadow Secretary of State, and his Shadow Ministerial team will have a very busy October conference, as NHS and social care commissioners and providers from the public, private and voluntary sectors press their various causes, influence the manifesto and build relationships.

And the Shadow Ministers will also be seeking to develop strong relationships with key health and social care networks and stakeholders whose support they will value before the election, and with whom they will want to hit the floor running if elected to power.

But, in the run-up to the election, the battle on health between the main parties will be fierce. Traditionally, the NHS is a vote winner for Labour, with the Conservatives happy if they achieve a 'score draw'. We have already seen, for example, Government Ministers draw attention to Labour's track record on health in Wales to argue that the NHS is better off under the Conservatives - something, of course, fiercely rebutted by Labour as being both untrue and a distraction from Tory failures in England.

The public expect Labour to wholeheartedly support the NHS when it is in government; and it will. There will be additional funding (fully costed by Rachel Reeves and her Shadow Treasury team to avoid Tory accusations of profligate 'spend-and-tax' economic mismanagement), but the question remains where it will be spent.



Labour has already signalled its intention to reform primary and community health care services and will want to engage with the main players to build and win support for that policy direction before and after the election.

But the most immediate challenge for Labour after the election will be the Tory inheritance, particularly the unprecedentedly long waiting list times for diagnosis and treatment of key health conditions. Labour has already made clear that, in conditions similar to 1997, it will make no apology for using capacity in the independent health sector to make rapid inroads into the backlog to get people the health care they have been long waiting for. Getting people who are clinically ready to leave hospital but can't be discharged because of the lack of care and support at home, or places in care homes, will be another priority for action.

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In that context, we can expect to see step-by-step implementation of the Fabian Society's proposals for developing the National Care Service 'brand' and improving the quality and availability of social care services. Although resources will be tight, the priority will be to find ways of investing in the pay, conditions and career structure of care workers to tackle the enormous challenges that care providers face in recruiting and retaining their staff.

National care standards and the possible introduction of nationally funded outcome incentives, alongside a public sector ethos for all social care providers (private, charitable, or public), will help to build a stronger and more consistent social care system whilst maintaining local decision making on local priorities and about how care is delivered.

This in turn, will make it a better partner with the NHS at every level, more able to create and deliver seamless services for people with a combination of health and social care needs, and help to reduce unnecessary demands on the acute care system.

Labour will also want to make progress on preventing ill-health and providing early intervention to help people lead healthier lives and ensure greater financial sustainability of the system. But this ambition, alongside other areas of need such as children's dental care, will take time to implement, with additional resources likely to be made available later rather than earlier in Parliament as the economy recovers and grows.



It is for that reason that Labour will be thinking strategically about a two-term, ten-year approach – getting core health services back on track in the first instance, strengthening the social care system to be fit for purpose as additional resources become available, tackling specific challenges such as delayed discharges and access to dental services, and laying the foundations for addressing the social determinants of ill-health.

Labour Party Thinking

The current healthcare landscape

Healthcare provision is undoubtedly in crisis at the moment; NHS capacity is stretched to its thinnest, challenges from the COVID-19 pandemic are still to be resolved, and industrial action continues to cause delays to care. Waiting lists have now – according to a new poll – spiralled out of control. All this alongside long running and worsening staffing and retention issues.

The issues outlined above have raised alarm bells. Recent figures and analysis suggest that waiting lists stood at 7.47 million at the end of May 2023, the highest number since records began in 2007. Availability for hospital beds remains scarce and ambulance response times have worsened; all these issues have further exacerbated the NHS crisis and has led to a steep decline in public satisfaction with both the NHS and the Government.

Labour's direction

Healthcare will certainly be one of the core priorities for both parties ahead of the next election. The COVID-19 pandemic, hospital and primary care delays and consistent industrial action have brought more attention to an already pivotal sector. It was therefore no surprise to see Keir Starmer announce healthcare, and the party's intention to "build an NHS fit for the future" as one of his "5 missions for a better Britain" in February 2023. Specifically, Labour outlined its pledge to reduce lives lost to the biggest killers in society, and to create a health service that is available when people need it, supporting everyone to live well for longer.

Labour's health mission reflects what policymakers know about what really matters to voters when it comes to healthcare; committing to the public that they would

fix delays and issues with access to care, as well as improving outcomes against Britain's biggest health comorbidities. Notably Labour's mission does not touch on any major structural changes to the NHS that they may have planned.

Since February, Labour has slowly but steadily revealed more information about the Party's plans for healthcare. In a speech in May, Sir Keir provided more details on how a Labour Party in power might change the UK's healthcare system. Specifically, a Labour Government would focus on 3 priorities for healthcare:

1. Moving to a care at home / community approach
2. Creating a sustainable workforce and investing properly in technology
3. Building a focus on prevention



Labour Party Thinking

Moving to a care at home / community approach

GP reform is high on the list of priorities for Labour, with current delays to see a family doctor and the current "8.00am rush" to book a GP appointment seen as a major issue. Key changes to be made by Labour include the opening of new referral routes, with the National Institute for Health and Care Excellence (NICE) instructed to make recommendations on expanding the list of instances when an individual can refer themselves to specialist services. The role of community pharmacy will be further expanded, accelerating the roll out of independent prescribing to establish a Community Pharmacist Prescribing Service covering a broad range of common conditions.

Labour will also create what they are calling a Neighbourhood NHS Workforce, doubling the number of district nurses and training 5,000 more health visitors

to allow for more patients to be seen in the comfort of their home and providing a route to catching problems early and setting healthy habits.

Creating a sustainable workforce and investing properly in technology

Both Keir Starmer and the Shadow Secretary of State, Wes Streeting, have highlighted the importance of the Labour Party being ready to adopt and embrace new technologies to drive efficiencies across the NHS, as well as improve access to services. As part of this, Labour has committed to developing a comprehensive innovation and adoption strategy, to align with the existing Life Sciences Vision. There is a clear opportunity to leverage the power of medtech as part of Labour's vision here. Enabling patients to access health services

online and speeding up the patient pathway from diagnosis to treatment will be fully embraced by the new Government, for whom modernisation is not a dirty word where the NHS is concerned.

Most notably on the healthcare workforce issue, Labour hasn't shied away from how the Party plans to solve one of healthcare's most pressing issues, namely the extensive capacity gaps across the system. Notably the Party has been keen to highlight the need to utilise the private sector to fill capacity gaps in the workforce to ensure patients get the care they need.



Labour Party Thinking

Building a focus on prevention

Keir Starmer has been clear that he believes prevention needs to become one of the cornerstones of the NHS if it is to survive. Preventing people from needing to access or rely on hospital or care services in the first instance, and before comorbid conditions can develop is, as the Party sees it, part of the long-term solution to many of the NHS's problems. Labour has set out that it intends to embed long-term planning in the Party's agenda to ensure health considerations are reflected in all its policies. This will include cross-departmental working to improve the wider determinants of health, such as the social, economic, and environmental factors that affect people's ability to lead healthy lifestyles.

For example, this may include making sure that the housing stock is fit for purpose, to prevent comorbidities arising from exposure to mould and damp. Labour will also create a national framework that ensures the focus and innovation

across government, business, public services, and civil society is targeted towards delivering this long-term goal.

The daunting task of rebuilding a broken NHS falls on Starmer and Streeting. Streeting has already expressed his wariness at the prospect of becoming the next Health Secretary, describing the role as "one of the most difficult jobs in Government." Although Labour's plans are ambitious, they still lack detail, both on the Party's vision for what a 21st Century NHS looks like, and on the deliverability of this vision at a time of intense economic pressure. All eyes will be on the Labour Party conference in October when it starts to flesh out its agenda for government, and how it plans to nurse the country back to health.



Labour Party On Social Care

Current challenges

The social care system continues to face a challenging outlook, driven by increasing levels of demand and several years of financial and budgetary pressure. The situation has not markedly improved under the incumbent Government, despite commitments from former Prime Minister Johnson that his Government would 'fix the crisis in social care once and for all' as part of his 2019 election manifesto. Put simply, this commitment was not met, leaving a potential Labour Government quite the headache should it win power at the next election.

Social care is often overlooked, with wider societal problems, such as the rising cost of living, and issues relating to frontline NHS services receiving the most attention from the press and from policymakers. However, even prior to the COVID-19 pandemic - which compounded existing problems - the sector was

struggling with retention of staff, quality of care and capacity challenges. Inescapable for Labour figures is the fact that the number of people (and increasingly the number of younger people) requesting social care has increased sharply.

The Kings Fund has found that demand from working age adults has increased by 22% since 2015/16. This is alongside an increase in people living longer and spending more of their older years living with conditions that drastically impact their quality of life (arthritis, diabetes, dementia, obesity). All of these factors will continue to increase the demand for social care. Notable by their absence were any announcements in the Spring Budget in 2023 to benefit the social care sector. Given the similar fiscal constraints any future Labour Government would be under, a massive uptick in spending for the social care sector, at least in a new government's first two years in office, is unlikely.

Labour's direction

With the prospect of a Labour Government looking increasingly certain, the prospect of inheriting a social care system in crisis is already causing some sleepless nights for Labour's policy team. Nonetheless, Labour has been keen to set out its stall on this issue, an acknowledgement that getting this area 'right' could be a long-term vote winner.

Central to Labour's plans is the creation of a 'National Care Service', a new care-focused service that would deliver support on the same terms as the NHS- publicly owned, publicly funded, and free at the point of use, and would introduce a set of national standards to underpin greater consistency across England.



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To get a good sense of what this might look like, one only has to look as far as a Fabian Society report released in June 2023 (commissioned by none other than Shadow Secretary of State for Health and Social Care, Wes Streeting) and Labour's 'health mission'. These two publications go some way in illustrating Labour's thinking and sets out in broad terms what the Party might seek to achieve from a National Care Service. Namely, an integration of community health services and social care to deliver better oversight of the wider system. This intends to

provide greater consistency of care nationally, and to continue the shift towards more care being delivered in the community and closer to the homes of patients. Labour is clearly focused on enshrining the principle of 'home first' to keep people out of hospitals as long as possible, reducing bed blocking in the NHS and removing some of the bottlenecks in care that are creating additional pressures on the acute system.

Another critical issue that has not escaped the Party's attention is that any new strategy cannot be delivered if there is no workforce available to deliver it. The Party knows that increases in funding have not kept pace with rising pressures at both the local and national level, fuelled by factors listed above. Local authority funding has been squeezed over the previous decade, with budgets being increasingly stretched despite the increasing demand for social care services. This in turn has meant pressure on social care workers rising considerably, prompting many to leave the profession in search of a better work-life balance. In 2021, Skills for Care estimated that the number of vacancies in the sector had ballooned to 165,000 in 2021/22, an increase of 52% from 2020/21. Whilst latest figures suggest that the vacancy

rate has now decreased slightly, to 152,000, this offers scant succour to a sector buckling under the legacy of chronic underfunding and inflationary pressures.

In a bid to end the staffing crisis, the Party has pledged to recruit and retain more carers to deliver care in the community. To encourage workers to stay in the sector over the long-term, Labour has also committed to reforms that would deliver a fair pay agreement, collectively negotiated and agreed across the sector, and longer-term workforce planning, which will review training frameworks to offer better training opportunities and a greater chance of progression for carers. The lack of opportunities and advancement are routinely noted as being the big 'push' factors for staff.



Labour Party On Social Care

Labour's direction

Labour has already highlighted that the failure to train and retain enough health and care staff means the UK has fewer practicing physicians and nurses per person than the EU average. With an ageing population, the demand for health and care staff will only grow higher. Labour has committed to ensuring that the NHS has the staff it needs to treat patients. Training up a new generation of qualified health and care staff will take time and is not an immediate solution to addressing the recruitment gap.

Labour has been clear that it will look to the private sector to meet many of the sector's short-term operational needs, but it will have to maintain a consistent focus on the pipeline of future workers (and the incentives in place to attract workers to roles in health and social care) to put the sector on more sustainable footing for the future.

Taken together, there is a strong indication that Labour is looking to give more attention to the quality of care, by addressing capacity gaps and upskilling the workforce. In doing so, the Party can increase the likelihood that quality will not be impacted by

high vacancy rates and understaffing, something that has been acknowledged as a factor behind needs being left unmet. In late 2022, the Labour Party outlined its pledge to deliver a 10-year plan for change and modernisation of the NHS. This included commitments to doubling the number of medical school places a year, doubling the number of district nurses qualifying each year, as well as creating new career paths into the NHS.

Ultimately however, the economic situation is going to be a key factor in determining just how far the Party can afford to push its National Care Service as part of its election strategy. The British public will undoubtedly remain cautious about big-ticket funding commitments, meaning Labour will have to tread a delicate line between selling the benefits of the Service whilst retaining its fiscal discipline. Streeting has been clear that he doesn't think care is a doorstep issue that will win the party votes, and this raises an important question: if it's not a doorstep issue before the election, how much attention does it get paid once a party is in government?



However, Starmer is thinking long-term, and he has a deeply held ambition for creating better public services that work for everyone. He sees a two-term government as the real goal for Labour, and this means tackling head-on some of the most seemingly intractable political issues, like trying to find a cross-party consensus on the long-term outlook for social care. New governments only have a short honeymoon period to get ambitious agendas off the ground before the day-to-day of governance crowds out everything else, so he'll have to hit the ground running if he's handed the keys to No.10 in a few short months.

Perspectives on the Private Sector



The Labour Party under the leadership of Keir Starmer is a wholly different entity to that under Jeremy Corbyn. Where Corbyn had previously committed to the “Medicines for Many” project, Starmer has been far more open about his trust in and value of the private sector. Within their healthcare mission plan mapped out in broad terms, Labour has been clear about how it wishes to utilise the private sector to increase staff numbers, increase investment in healthcare infrastructure and spread best practice. With staffing and retention issues likely taking a number of years to be fully resolved, it will be no surprise to see the Labour Party rely heavily on the private sector to help solve some of the capacity gaps across the NHS.

Labour has already committed to seeking industry and third-sector views on a number of initiatives. For example, Labour has outlined plans to develop a

comprehensive innovation and adoption strategy, which will see them work with industry, patients and the newly established ICSs.

Labour has also outlined plans to enable quicker adoption of new technologies by the NHS, by revamping the procurement system and capitalising on the digital innovations accelerated by COVID-19 – for example, by using the NHS app to book appointments, offer prescriptions electronically, and to guarantee remote consultations to everyone who wants or needs to access healthcare remotely. This will all involve work with the Care Quality Commission (CQC) to ensure that the speedy adoption of new technologies are also seen from a regulatory standpoint.

Across Life Sciences, Labour has pledged to make it easier to conduct research in the NHS with a quicker, more transparent, and less variable process, by reducing unnecessary bureaucracy. As set out in the National Contract Value Review, the Labour Party has pledged to reduce the time setup with a standardised process, to ensure they can fully implement a national approach to costing for industry clinical trials.

Relationship with Private Equity



Although Labour has been keen to demonstrate its more open and constructive approach to its relationship with investors and the private sector, that does not mean either will be free from criticism by the Party.

Most notably, Shadow Health Secretary, Wes Streeting, has linked some of the systemic flaws within the adult social care sector to the involvement of private equity firms, arguing that "private equity firms are failing to provide basic levels of care to residents, while gambling with care homes' futures and leeching millions out of the British taxpayer and the pockets of residents".

However, this sentiment seems primarily reserved towards actors who may provide poor quality care. Any firms who are transparent and provide good quality services shouldn't see any pushback from Labour.

Since Keir Starmer took over the Labour Party, he has tried to showcase Labour's intention to work constructively with the business community, and he and his cabinet have met with many sector leaders in an attempt to demonstrate their investor and industry-friendly credentials. Whilst he is certainly more industry friendly than his predecessor, Starmer has been clear on the need for fiscal restraint should Labour come to power.

Overall, Sir Keir's approach is both ideological (he's more moderate than Corbyn, although still driven by a public service ethos) and practical, given the need to leverage private sector capital and expertise to ensure that the NHS to resolve existing backlogs.



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