



# Policy Spotlight: Health

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## Foreword

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***Steve Brine is a Strategic Adviser to GK Strategy. Steve is a former Health Minister and was Chair of the Health and Social Care Select Committee from 2022 to 2024. He co-hosts the 'Prevention is the new cure' podcast.***

This March marks eight months since Labour won the general election promising to 'fix' the NHS. There is no question that change is needed if the closest thing we have to a national religion is to survive, let alone thrive.

Familiarly, we have a winter crisis, patients complaining about GP access, community pharmacies closing unabated, an NHS dentist out of reach for many and more than seven million people on the waiting list. Yet, as we move into spring, three reviews and consultations dominate the health landscape.

Penny Dash's vast patient safety review, which I suspect will promise great change for the Care Quality Commission among other bodies, trundles on before she starts her recently confirmed role as Chair of NHS England. Baroness Casey's review into social care has barely begun and has a 2028 date stamp on it, while the 10-Year Health Plan is unlikely to be seen in public much before parliament's summer recess.

Yes, change is needed. However, the question is whether any of these reviews will deliver it - and do so in a meaningful way that is noticed by those working in the system, those partnering with it and, most importantly, patients. The health secretary Wes Streeting has been clear with officials around the three 'shifts' he wants to oversee. Hospital to community, analogue to digital and sickness to prevention are all spot on, but they are not new and very soon they are going to have to be more than slogans.

Nowhere does the rubber hit the road harder than in health policy and moving care from secondary to primary settings. Many have failed. Today, just 9% of the NHS budget is spent on primary care. Everyone knows this must change; both if we want to shift patients from hospitals to the community and if we want to spot more illness earlier.

Genuine primary prevention around diabetes, cancer and cardiovascular disease, to name but three, is hallowed ground, but it is a pipe dream for many. What's more, government actions - including the £22 billion in the October budget largely consumed by pay rises, inflation and the rest for a resource hungry acute sector - currently do the exact opposite.

Remember that rubber, that road? Much will come down to whether the 10-Year Health Plan and the spending review which will surely come first will address the 9% head on as Streeting sensibly said was needed before the election. For the health secretary, a highly ambitious minister with eyes

on the top job in No.10, there is a moment of truth coming that could pit what NHS reform looks like against a Labour movement heavily influenced by the big health unions.

The same is true in social care, where it would take a brave minister to unveil a new funded policy in the foothills of the next general election campaign. And in prevention, so-called 'double running' (whereby the government will need to operate both existing treatment services and invest in new prevention measures) will require generous Treasury support and for ministers to face down the (not to be underestimated) 'nanny state' brigade to really move the dial.

This is all at a time when the genuine hollowing out of NHS England (the 'Wes-Rev' I am calling it) and removal of its institutional memory continues at pace. Steve Powis follows Amanda Pritchard - who follows Richard Meddings - out the door of NHS England and there is no question the centralisation at the Department of Health and Social Care is where this now ends. It is not (yet) 'reorganisation of the NHS' as we may understand it, but be clear, major change is afoot while everyone is looking the other way given ongoing geo-political events.

Addressing growth and immigration, the other two enduring priorities of government, begin to look the easier challenges to navigate.





## Engaging in the policymaking process

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### **Scott Dodsworth, Senior Partner & Managing Director**

As the government gets to work on its ambitious plans for public sector delivery, this first full year for Labour will be critical, not just for near-term success, but also the Party's fortunes at the next general election.

While it is true that much can change in a week of politics, it is also the case that the mid-term of this parliament is fast approaching. With its large (albeit arguably precarious) majority, the government is determined to make the changes it has planned for the country.

2025 will be a busy year at Westminster. Alongside the upcoming phase two of the spending review, the government knows this is a key 'doing' year and that in political terms, the mid-point of this parliament is too late to deliver real change in the delivery of public services, none more acute than in health and social care.

The government is looking for solutions from businesses and there is a willingness across Whitehall to engage with those who can partner with government to bring about better public services. Good government relations has rarely been so important. There is impatience within key departments covering health, science, innovation and technology to 'get on with the job'. This should underpin your organisation's approach to good quality engagement.

We have also seen greater empowerment of key regulators, the bringing together of AI strategy at the Department for Science, Innovation and Technology, and a Treasury seeking further efficiencies across the public sector. Together with consultations and detailed reviews across government, from defence to the environment, each of these bring opportunities for strategic engagement.

Our cross-sector and cross-party team at GK is immersed in health and social care policy. We work to understand the political and regulatory environment and align our advisory services around your strategic aims.

A joined up and targeted programme of engagement, with evidenced messages aligned with the government's key challenges can not only mitigate political or regulatory risk, but it can also realise commercial opportunities.



## Moving care from hospitals to communities

***Hugo Tuckett, Senior Associate, with reflections from GK Strategic Adviser and former Care Minister Phil Hope***

The first big shift Wes Streeting wants to see the NHS undertake over the next 10 years is having more care being delivered in the community. For years, successive governments have focused on the importance of community-based care. However, it is widely accepted that this is far from being a reality and the current situation is placing an intolerable strain on NHS resources, especially in acute settings. The government estimates that one in four patients in hospitals should not be there and one in five emergency hospital admissions are preventable – so long as earlier diagnosis takes place. Addressing this situation will require a significant shift of resources to primary care at a time when more and more capital is being sucked into the acute sector.

Pharmacy is one area which the government hopes to see playing an increasingly central role in the community-based delivery of health and care services. Lord Darzi's independent investigation into the NHS, which serves as the foundation for the government's healthcare reforms, highlights the potential role of community pharmacists in a reformed model of healthcare delivery. He argues they can take responsibility for 'greater treatment of common conditions and supporting active management of hypertension.' Ministers have repeatedly stressed their commitment to expanding the role of pharmacies and better utilising the skills of pharmacists and pharmacy technicians. For example, by 2026, all newly qualified pharmacists will have a prescribing qualification and the government plans to introduce additional investment in upskilling the existing workforce to also become independent prescribers. The government and NHS England will be looking for expert input from industry stakeholders to understand where this funding should be directed to support its ambition for an expansion of community pharmacy.

With more people living with complex conditions for longer, there are also clear commercial opportunities for providers of community-based complex care services as ministers try to get individuals out of hospital and receiving treatment in or near their home. Lord Darzi's report argued that GPs are expected to manage increasingly complex care, but do not have the resources, infrastructure and authority that this requires. The government plans to address this situation by introducing neighbourhood health centres which ministers have said will bring together family doctors, district nurses, care workers, physiotherapists, palliative care and mental health nurses under one roof to improve the treatment patients receive.



*Phil Hope, GK Strategic Adviser and former Care Minister*

However, to make this shift a reality, the government will need to begin addressing the challenges in adult social care. Workforce shortages, rising cost pressures, restricted local authority funding and growing demand continue to place a significant burden on the social care system. GK Strategic Adviser and former care minister Phil Hope reiterates this point. He states:

'Huge changes are in the pipeline for social care. The 2024 October budget creates additional costs from April 2025 of a 6.7% higher National Living Wage and a 1.2% increase in employer National Insurance Contributions. The real terms increase in the local government settlement for 2025-26 is well short of what is needed to cover these costs for care providers. The Department of Health and Social Care is closely monitoring the impact that will inevitably lead to either reductions in care service quality, care contracts being handed back to local councils or some smaller providers leaving the care sector entirely, leading to some consolidation in the market.'

The government has appointed veteran Whitehall troubleshooter Baroness Casey to investigate the long-term policy options to address this situation. However, her final report won't be published until 2028, one year before the next general election. In the meantime, the government has announced an £86 million boost to the Disabled Facilities Grant to allow 7,800 more disabled and elderly people to make improvements in their home. This will be an area to pay close attention to over the coming years to determine if the government is able to fulfil its objective to have more care being delivered out of hospitals and in the community.





## Making better use of technology in health and care

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*Lauren Atkins, Senior Adviser, and Arth Malani, Researcher*

Digital transformation and AI in the NHS are expected to form the backbone of the 10-Year Health Plan. Appearing before the Health and Social Care Select Committee in December last year, the health secretary Wes Streeting highlighted the importance of the shift from analogue to digital and indicated that it was his number one priority. He argued that of the three shifts, analogue to digital 'would make a demonstrable improvement in the patient experience, the level of personalised care and the extent to which we can run and lead this system more effectively and efficiently.' Following the publication of Lord Darzi's independent investigation, Streeting concurred with his recommendation that 'a tilt towards technology' is essential to improve the NHS and make it a sustainable public service.

Although digital transformation in healthcare is not a new concept, it has gathered significant traction since Labour took office in July 2024. The Department of Health and Social Care believes that the NHS App holds the key to the transformation of the health service – something that the Prime Minister echoed when he said the app will open 'a whole digital front door to the NHS.' Dr Crystal Oldman, Chief Executive of the Queen's Nursing Institute, welcomed the government's plan to move towards a digital-first approach and said it would help ensure that the gains from productivity create better outcomes for patients. The King's Fund also reiterated this sentiment by calling for a bottom-up approach to technology adoption. The organisation added that the success of digital transformation in the NHS will be linked with the investment in helping frontline workers adopt this technology.

The government recently released a new plan to leverage technology and AI tools to streamline public services, eliminate delays through data sharing and reduce costs. Streeting has argued that eliminating wasteful spending in the NHS is crucial to improving the health service. In his foreword to the government's mandate to NHS England, the document which sets out the health secretary's goals for the health service over the next 12 months, he stated that 'the culture of routine overspending without consequences is over.' Alongside these announcements, the government also laid out its 'blueprint for a modern digital government', which seeks to overhaul the delivery process within the public sector. The health secretary, along with the Secretary of State for Science, Innovation and Technology Peter Kyle, said that these changes will bring the NHS into the 'digital age'.



*Arth Malani, Researcher*



Although calls for a new 'digital age' have been widely welcomed by stakeholders in the health and care sector, a report published by the King's Fund warned that to realise the potential of technology it is crucial to 'get the foundations right.' In the short term, the organisation argued that the government must ensure that variation in the type of technology across different NHS trusts is reduced and skills programmes are created to upskill frontline workers to ensure that the gains are maximised. In the long term, the King's Fund suggested that the government must focus on building seamless structures at the national, ICB and provider level to promote innovation. All of this, within the remit of the 10-Year Health Plan, has the potential to improve healthcare provision and deliver on the government's mission to transform the NHS.





## Focusing on preventing sickness, not just treating it

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***Annabelle Black, Adviser***

Labour's 2024 general election manifesto argued that prevention is always better and cheaper than a cure and promised to embed a greater focus on prevention throughout the entire healthcare system. In line with the government's manifesto commitments, the 10-Year Health Plan will set out how the NHS will achieve that change, including a strategic shift from sickness to prevention.

The shift to prevention is likely to take the longest to bear fruit. It will take years, if not decades, for the health interventions the government is pursuing to feed through to reduced pressures on the NHS. The Tobacco and Vapes Bill, for example, is one measure the government is in the process of introducing with the specific aim of reducing preventable deaths in the UK. The legislation intends to introduce a 'smoke-free' generation by gradually phasing out tobacco products through banning its sale to anyone born on or after 1 January 2009. To address rising rates of obesity, particularly among children, ministers have also confirmed that there will be a ban on the advertisement of junk food and drink on television between 5.30am and 9pm from October 2025. However, these initiatives will not meaningfully shift the dial on the NHS overnight, and policymakers and the public will need to exercise real patience to see the outcome of the changes come to fruition.

Looking ahead to the 10-Year Health Plan, dentistry is likely to be an area which plays a key role in the government's prevention agenda. The health secretary has repeatedly highlighted that the number one cause of hospital admissions among children is tooth decay, which confirms his view that dentistry can play a larger role in keeping people, particularly children, out of hospital and living healthier lives. Industry leaders from the dentistry sector are calling for the plan to prioritise preventative care and include a long-term funding settlement ring-fenced for dentistry that keeps pace with rising demand. For example, the British Dental Association is urging the government to replace the units of dental activity system, incentivise holistic patient care and prioritise preventive services in the development of the government's healthcare reforms. Given the challenges faced by dental practices, it is likely that the plan will seek to address workforce shortages in the sector and set out initiatives to increase awareness of the importance of preventative care in reducing oral health problems. This will build on Labour's manifesto commitment to boost dental care by providing 700,000 extra urgent dental appointments and recruit new dentists to underserved areas.

There is a growing recognition that there is a need for prevention and enhanced early intervention in psychiatric care. This is likely to include increased screening programmes in schools, primary care settings and workplaces. Over the last decade, there has been rising demand for mental health services and the NHS has struggled under increasing pressure to meet this challenge.

Ministers have set out various measures to support the wellbeing of workers, including the commitment to recruit 8,500 additional NHS mental health staff. Alongside the pressures mental ill-health is placing on NHS resources, improving the availability and quality of psychiatric care is particularly important to the work taking place in the Department for Work and Pensions to address the rise of economic inactivity.

Secretary of State for Work and Pensions Liz Kendall has promised 'radical reforms' to the welfare system to find financial savings to support the government's wider policy agenda and boost labour market participation. Over the coming months, we can expect the Health and Social Care Select Committee to publish its report on the findings of its inquiry into community mental health services. This will complement the work taking place in the Department for Work and Pensions and the Department of Health and Social Care and provide organisations with an array of opportunities to engage with stakeholders across government, NHS England, ICBs and NHS trusts, and to influence the reform agenda for mental health services set out in the 10-Year Health Plan.



## Health and social care workforce

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### ***Sophie Duley, Associate***

Around 1.4 million people make up the NHS workforce in England. It is therefore no surprise that staffing is the single largest cost within the health system. The NHS is facing multiple workforce challenges, including staffing shortages and pay disputes. Addressing these issues is crucial for ensuring the delivery of high-quality patient care and meeting the government's wider ambitions cross the whole health and social care system.

In June 2023, the previous Conservative government published the NHS Long Term Workforce Plan which set out to put the NHS on a 'sustainable footing', focusing on three core areas: train, retain and reform. The workforce plan aims to, amongst other areas, increase adult nursing training places by 92% by 2031-32; expand training for health visitors and school nurses; provide 22% of all training for clinical staff through apprenticeship routes by 2031-32; and grow the number of NHS staff working in mental health, primary and community care by 73% by 2036-37. However, concerns persist about the plan's effectiveness in meeting immediate staffing needs. The Royal College of General Practitioners has criticised the plan as being 'not fit for purpose', specifically as it relates to 'unrealistic' assumptions about staff retention and has called for a more comprehensive strategy.

In response to these concerns, the government has committed to publishing a refreshed NHS workforce plan – expected in summer 2025. This will focus on shifting care from hospitals to community settings: a trend that is reflected in the government's overall approach to tackling pressures on the health system. Ministers are, for example, concerned that the original workforce plan would increase the number of hospital consultants by 49%, but the rise in fully qualified GPs would have been just 4% between 2021-22 and 2036-37.

The success of a refreshed workforce plan will depend on effective implementation and the resolution of ongoing pay disputes. Pay disputes have been a central issue for NHS staff in recent years, resulting in industrial action across various areas of the health service – the most notable being the long running BMA-led junior doctor strikes in 2023 and 2024. Upon winning the election, health secretary Wes Streeting was keen to bring this long running strike action to an end and accepted a series of above-inflation pay rises for NHS staff for 2024-25. However, the government's proposed 2.8% pay rise for public sector workers, including NHS staff, in the next round of pay awards has sparked criticism from unions. The Royal College of Nursing has described the government's position on the pay increase as 'deeply offensive' and emphasised the need for 'fair' compensation for nursing staff. However, given the constrained economic outlook, the government has said that departments will have to fund 2025-26 and future pay increases from their own budgets, which opens the possibility of further industrial action.



A key strategy to address staffing shortages and manage fluctuating demand has been the use of bank staff and agency workers in the NHS. Bank staff are NHS employees who work flexibly, filling in shifts when needed, without committing to permanent positions. Agency workers are typically employed by external recruitment agencies and are brought in on a temporary basis to address workforce shortages. This dual approach to flexible staffing ensures that patient care remains uninterrupted when gaps are left by vacancies, sick leave or seasonal increases in demand.

However, the use of agency staff has and continues to attract political attention. In November 2024, health secretary Wes Streeting confirmed the government's intention to 'contain' NHS agency spend. Under the proposals, which are due to go out to consultation, NHS trusts could be banned from using agencies to hire temporary entry level workers in bands 2 and 3, such as healthcare assistants and domestic support workers. Streeting argued that the measures could save the NHS 'significant sums, improve quality of care and enhance patient safety'. It will be vital for businesses operating in the sector to engage with the Department of Health and Social Care, NHS England, ICBs and NHS trusts on the proposals to highlight the important role of agency staff in the effective operation of the health service and enabling patients to receive high quality care in a timely manner.

Alongside the temporary workforce, improving the utilisation of existing healthcare workers also has the potential to address some of the challenges associated with workforce shortages and enable the health service to make progress against the elective care backlog. A potential solution here is insourcing. This is where a third-party organisation is employed to perform medical services and procedures on NHS premises. This is usually done out-of-hours or at weekends to utilise spare capacity, and with the help of staff also employed by the NHS. This means healthcare staff have the flexibility to take on additional work outside of core service hours and help the health service to bring down the elective care backlog.

While the government has not given a clear indication of its view of insourcing services, providers should take comfort from Wes Streeting's clear preference for the use of private providers to bring down waiting lists. However, it is still important for insourcing organisations to engage with stakeholders across government and the NHS to demonstrate their credentials as a trusted, high-quality partner in the pursuit of bringing down waiting lists and fulfilling the government's ambitions for the health service.



## Regulatory landscape

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### **James Allan, Senior Adviser**

Scrutiny of the Care Quality Commission (CQC) reached a fever pitch late last year with the publication of the Dash Review, which found 'significant failings with the internal workings of the CQC.' The regulator's poor performance, compounded by the Covid-19 pandemic, has since resulted in a loss of credibility across the health and care sector. Marred by a loss of sector expertise and a restructuring that was accompanied

by a new single assessment framework, the regulator now faces an up-hill reputational battle.

The health secretary Wes Streeting responded to the review by promising to 'overhaul the system to make it effective and efficient' and suggested that patients have little confidence in CQC ratings. A change of the regulator's top brass is well underway. A week before the publication of the Dash Review, Sir Julian Hartley was appointed as the new chief executive and will bring a wealth of leadership experience from within the NHS ecosystem. More recently, Streeting has announced his preferred candidate for Chair of the CQC, Sir Mike Richards, who is due to report on a review into the CQC's single assessment framework. This move by Streeting signals a willingness to give those with skin in the game the baton to lead the CQC's transformation in the near-term.

The Dash Review made several recommendations that will undoubtedly strongly influence the CQC's new leadership team. For businesses that interact with the CQC, there is likely to be a shift toward sector-led inspection activities headed up by at least three chief inspectors of hospitals, primary care and adult social care services – a pivot back to the CQC's pre-2023 model. While 'operational managers' currently oversee an integrated team of inspectors and assessors with different specialisms, sector-based directorates are likely to be re-established within the CQC.

The now not so new single assessment framework is also up for grabs. The Dash Review highlighted several concerns ranging from a lack of clarity about care expectations for each rating category; inconsistent data requirements on user and patient experiences; and too little focus on innovation, effectiveness and improving health outcomes. While the review stopped short of recommending a fundamental rewrite, or even abandoning the single assessment framework altogether, businesses should keep an eye out for Sir Mike Richard's report, improvements to the framework's implementation, as well as any revisions and clarifications in the immediate term.

Finally, a major concern of the Dash Review were the delays to the CQC's inspection activities, that remain below pre-pandemic levels. It noted that some care providers had not been re-inspected for up to eight years. The new CQC leadership team will be eager to demonstrate progress and increasing inspection activities will be a key measure of success to demonstrate that the regulator is operationally effective once again.

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