The autumn budget 2022—what next for health and adult social care?

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Recent fiscal events have been a mixed bag for the health and care sector. This month’s autumn budget was no exception. So, what were some of the positives and negatives from the announcements?

Let’s start with the positives. NHS spending has been boosted to the tune of £3.3 billion (in cash terms—i.e. not adjusting for inflation) in 2023/24 and again in 2024/25, compared to previous spending plans. This boost aims to insulate the NHS from some of the inflationary pressures (particularly non-pay inflation affecting the prices of goods and services) that were not expected when these budgets were originally set back in Autumn 2021.

Adult social care spending is also set to rise by up to £2.8 billion in 2023/24 and £4.7 billion in 2024/25 (again in cash terms). The hope is that this will help stabilise the adult social care sector, fund 200 000 more care packages, and by doing so help reduce delays in discharging patients from NHS hospitals. But the actual level of investment that reaches the sector will depend on several factors, including whether councils can use their extended flexibility to raise local taxes to support social care services.

And finally, the chancellor has committed to publishing a plan—with independently-verified forecasts—for how the NHS can grow its workforce over the next 15 years. Something The King’s Fund and many other organisations have been calling for. There was no certainty that this plan would ever see the light of day because it could end up being a rod for the government’s back. So, this was perhaps the clearest sign of how changes in political leaders can lead to changes in policy, and the impact of having the longest-serving health and social care secretary as the new chancellor of the exchequer.

And the negatives? I think there are four main ones.

First, let’s go back to NHS funding. The government has boosted NHS budgets to help meet many—but not all—the funding pressures the NHS will face in the coming year. If staff pay awards, cost pressures from Covid-19 and the impact of inflation are higher than currently budgeted for in 2023/24, the government may have to put its hand back in its pocket or risk the NHS overspending its budget.

Second, as always, extra funding comes with some extra expectations. For the NHS this means new milestones will be set to reduce ambulance response times for serious conditions like strokes and heart attacks, and to improve A&E performance and access to general practice. While the ambition is right the expectations are probably not. Ambulance response times for serious conditions have remained stubbornly closer to one hour than the new 30 minute milestone. And—excluding the covid-19 period—it has been a decade since A&E performance went up year-on-year rather than down.

Third, this was another missed opportunity to increase budgets for the wider services that improve health. Spending per head through the public health grant has fallen by about a quarter in real terms compared to 2015/16. In a recession and cost of living crisis, this lack of focus on the services that keep us healthy could only lead to greater pressures on the NHS and social care sectors and worsening health for patients and the public in the months and years ahead.

And finally, the most significant negative legacy from this Autumn Budget is the further delay to social care charging reforms. These changes to the means test, introduction of a cap on care costs, and support for fair funding are desperately needed by the sector and the people who use social care services. And there is a very real risk that further delay will once again lead to the reforms being caught up in political inertia as we approach a general election in two years’ time—in much the same way that previous plans to cap care costs were shelved after the 2015 general election.

So what to make of this budget as a whole then? Overall, things are better than might be expected but there is some trouble coming down the track.

This was not quite austerity as we know it—capital spending on NHS buildings and equipment have not been raided, staff pay has not been frozen, and although social care charging reforms have been delayed this will lead to funding being reinvested—rather than removed—from the sector.

But at the same time uncertainty abounds. Higher than expected inflation, staff pay awards or rates of covid-19 could all lead to the NHS encountering serious financial pressures next year despite the top-ups to its budget. And users of adult social care services must wonder if they will ever see a fairer system put in place. So while the chancellor did make some of the tough choices and difficult decisions he repeatedly said were necessary, he has also left some of those tough choices and decisions for another day.