

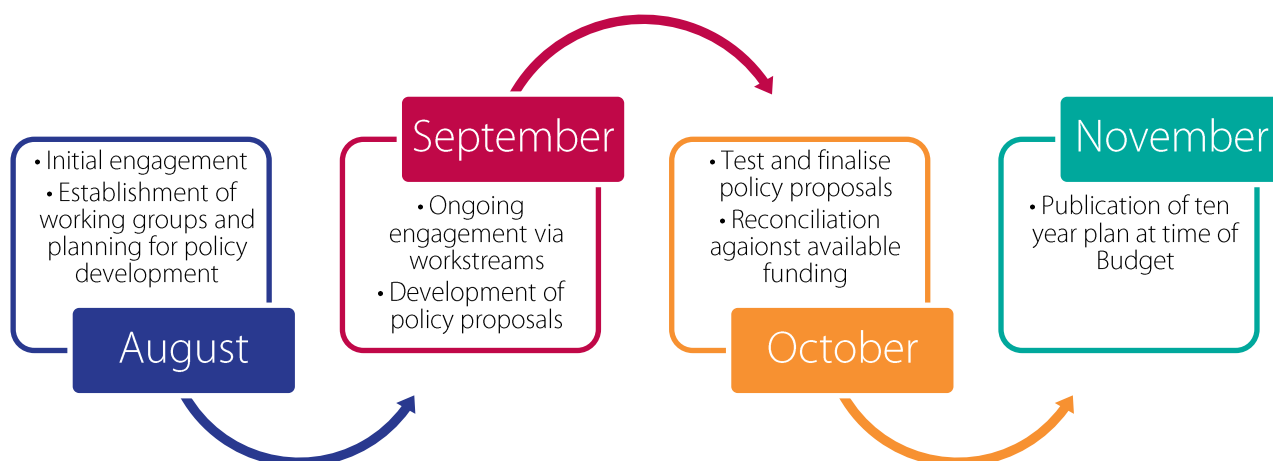
Governor's briefing – the NHS funding settlement and ten year plan.

In March, the Prime Minister committed to a 'sustainable long term plan' for the NHS, backed by a 'multiyear funding settlement'. She expanded on this in June, confirming an increase in NHS funding of an average of 3.4% a year in real terms over the next five years. In turn, she tasked the NHS with producing a long-term plan that sets out how the service intends to deliver major improvements with the new funding available. The publication of this plan is expected to coincide with the autumn Budget, which will formally set out how the uplift will be funded. This briefing provides further information for governors on these announcements.

The development of the long-term (or ten-year) plan

During September and October, NHS England (NHSE) and NHS Improvement (NHSI) will engage with representatives from across the health and care sector to develop the long-term plan (also described as a ten-year plan, as this was the timeframe envisaged by former health and social care secretary, Jeremy Hunt). The plan is expected to be published ahead of the autumn Budget (usually delivered in November or December).

Alongside this, NHSE and NHSI will convene the **NHS Assembly**, an initiative which was announced in May with the purpose of bringing together a broad group of stakeholders (ranging from representative organisations to patients, service users and carers) from across the health service to oversee delivery of the ten year plan.



The government's priorities for the plan

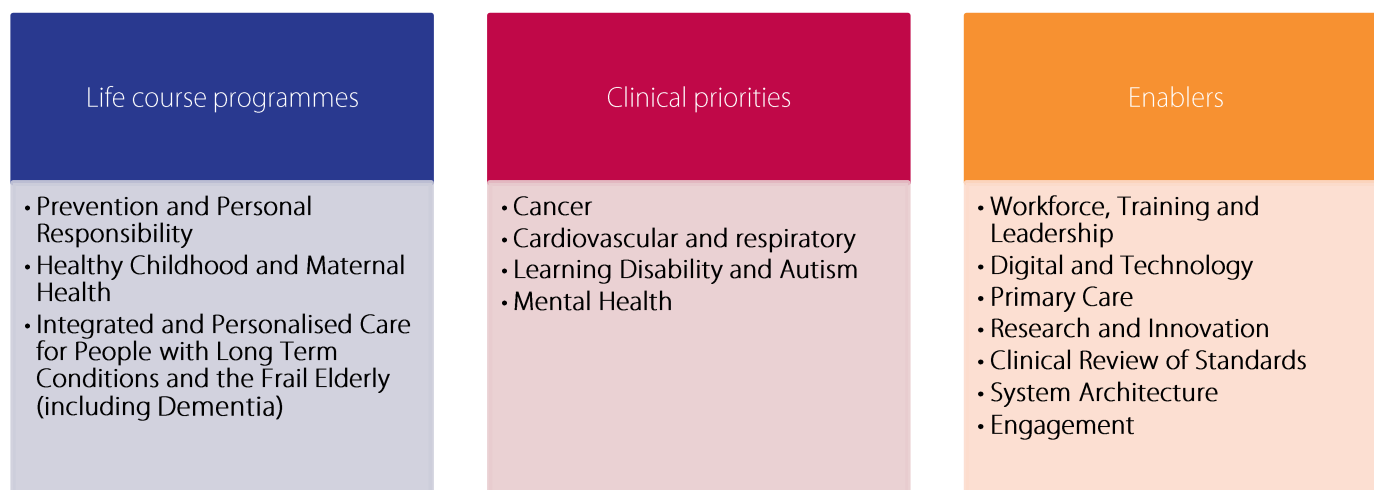
The Prime Minister has set out a number of priorities for the plan, including 'getting back on the path to delivering agreed performance standards', and building on recent progress made in the safety and quality of care. She has also committed to transforming cancer care so that patient outcomes move towards being the best in Europe, and to improving access to mental health services to fulfil the government's commitment to parity of esteem between mental and physical health. Another key priority for the plan is to better integrate health and social care.

Matt Hancock, the Secretary of State for Health and Social Care, has echoed the Prime Minister's commitment to improving cancer care and building on the prevention agenda, and has also indicated an increased focus on making best use of technology in the NHS and recognising pressures on the workforce.

In an [interview](#) with the Health Service Journal (HSJ), Simon Stevens, chief executive of NHSE, presented his priorities as cardiovascular disease, cancer, children's services, mental health and health inequalities. He highlighted plans to accelerate integration programmes set out in the *Five year forward view*, and suggested that a review of targets and funding mechanisms could lead to a number of technical changes. He called for social care to be funded at a level where the NHS isn't put under pressure due to unmet need being displaced from one sector to the other.

Productivity levels are a key focus for Ian Dalton, chief executive of NHSI. He has also said that he wants to address the provider sector deficit and payment mechanisms. This may mean changes to the way funding is distributed and how performance is measured in the upcoming planning guidance, including a move from control totals to a new payment architecture from April 2019 that will be designed to encourage longer term financial sustainability, rather than short term savings.

The plan is likely to have a strong emphasis on achieving financial sustainability and demonstrating to the public that the funding increase will lead to improvements to NHS performance. The following engagement working groups have been established to bring together local and national system leaders, partners and stakeholders, to shape the final plan.



Each of these groups has invited people to submit their views online on the priorities outlined in the plan, which can be done on NHSE's dedicated [web portal](#).

What does this mean for the provider sector?

This process provides a valuable opportunity to create a long-term plan to pursue the NHS's ambitions for improvement, but it also carries risks for the sector, for example:

- The Government will want to demonstrate that the country is getting a clear set of benefits for the extra money invested especially if, as we expect, it is partly funded through higher taxes. There is therefore a danger that the plan commits the service to new ambitions it cannot afford or deliver particularly given pressures on NHS and social care staff, and the need to recover performance against some key national targets
- While welcome, the funding uplift is just enough to enable the NHS to keep up with growth in costs and demand. Difficult choices will need to be made in order to balance four priorities: (1) recovery on performance and finances; (2) keeping up with rising cost and demand growth; (3) service transformation; and (4) enhanced performance, for example, in mental health and cancer outcomes.
- Further, and sustainable, efficiency savings are only realistically achievable with sufficient investment in capital and new ways of working. There is a risk that the plan overestimates what can be done without such investment.
- For the plan to be deliverable, there needs to be sustained, meaningful engagement with trusts, and other parts of the health and care sector. Yet there is a lack of clarity over the extent to which trusts will be involved in developing the plan.
- Health and social care services are interdependent, but it is unclear how the NHS long-term plan will align with the social care green paper
- While public health and prevention will be considered in the plan, budgets for these critical services lie outside the NHS funding ringfence (with responsibility for public health sitting with local government). It is therefore unclear to what extent the plan will incorporate and prioritise these areas.

What does the plan mean for governors?

NHS Providers has welcomed the funding uplift and development of the long-term plan. Producing the plan in collaboration with the NHS frontline (that is, involving clinicians and trusts, as well as their representative organisations) will be key to the deliverability of the plan. Governors may wish to consider the following implications of the forthcoming plan for their trusts:

- What action or investment, if any, needs to be taken by the trust, to improve performance against constitutional targets?
- What opportunities are there for delivering further efficiency savings or increased productivity?
- How local system relationships are being developed, and what trusts are doing to ensure progress in delivering more seamless and joined up services, given the expected focus on integration?
- How governors can support public consultation on significant local changes to services.