



NHS England Funding and Resource 2017-19: supporting 'Next Steps for the NHS Five Year Forward View'

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Supporting 'Next Steps on the NHS Five Year Forward View'

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1 Introduction

The Government publishes a Mandate for NHS England before the start of each financial year. The Mandate sets out the Government's objectives and requirements for NHS England and also its budget. [The Government's 2017/18 Mandate for NHS England](#) was published on 20th March 2017.

In turn, NHS England produces a business plan before the start of each financial year. This sets out how NHS England will deliver the objectives set out in the Mandate. For 2017/18, our business plan takes the form of '[Next Steps on the NHS Five Year Forward View](#)' a publication developed in partnership with the other national NHS leadership bodies.

This document forms an annex to 'Next Steps on the NHS Five Year Forward View' and contains information about NHS England's funding in 2017/18 and other matters. It sets out how NHS England will, through the distribution of funding and people resources, support 'Next Steps on the NHS Five Year Forward View' to transform local health and care systems.

It also explains how we undertake our duty to reduce inequalities between patients in respect of their access to, and outcomes achieved from, services and how patients are informed, involved and consulted in development, improvement and delivery of health and care services.

2 Involving and consulting our patients and the public

All the work of NHS England is focused on delivering better health services for our patients and the public. It's essential that this work is based on a good understanding of what is important to them, and we work hard to involve patients and the public directly in the development of services and changes through encouraging and supporting active participation in improving care and services and promoting openness and transparency.

This is reflected in 'Next Steps on the NHS Five Year Forward' and through our [involvement hub](#).

3 Reducing inequalities

Promoting equality and addressing health inequalities are at the heart of our values. The work we have set out in 'Next Steps on the NHS Five Year Forward View' is aimed at improving health outcomes for all our diverse communities. However, the [NHS England website](#) provides a more detailed description of exactly how our work addresses equality, diversity and health inequalities.

4 Our funding

We hold a commissioning budget, including drawdown of previous years' surpluses, of £109.3bn for 2017/18 and £111.8bn for 2018/19.¹ We are responsible for using this money wisely, fairly and transparently to secure the best possible outcomes for both patients and the taxpayer.

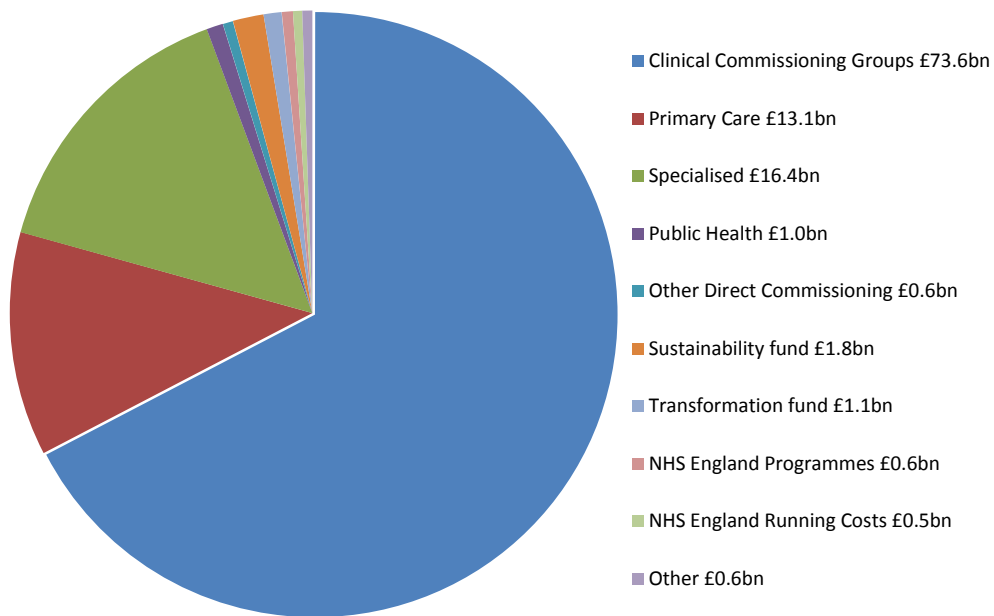
¹ This is the total Revenue Departmental Expenditure Limit (RDEL), including depreciation and impairments.

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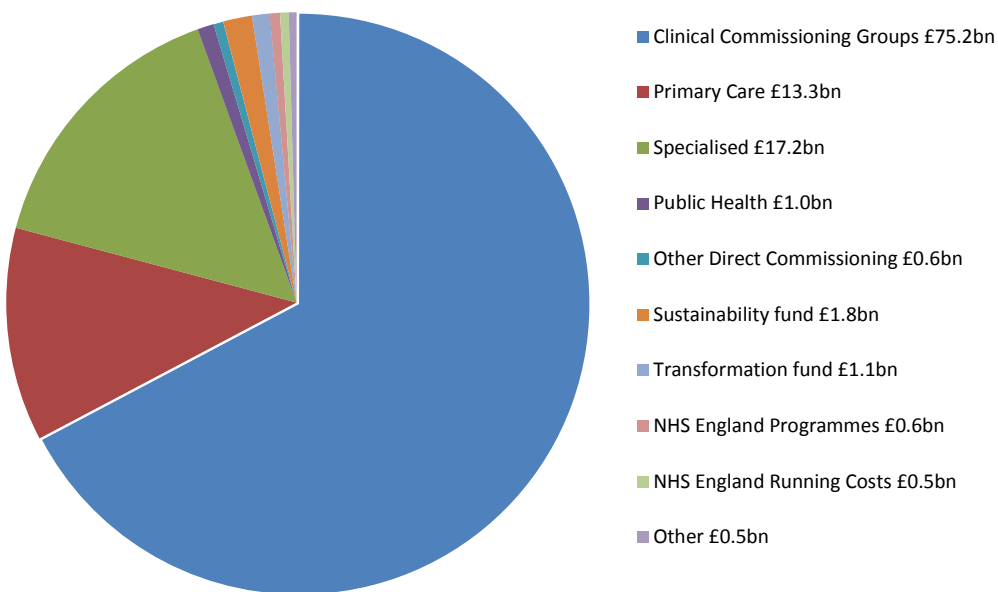
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We allocate the majority of this funding, £73.6bn in 2017/18 and £75.2bn in 2018/19, to Clinical Commissioning Groups for commissioning local health services. A further £31.1bn (£32.1bn in 2018/19) is spent on directly commissioning services including primary care, specialised services and public health. The remaining funds are allocated to the administration and programmes run by NHS England. The way in which we distribute our mandate funding is set out in the diagrams below.

2017/18 NHS England mandate funding (£bn)



2018/19 NHS England mandate funding (£bn)

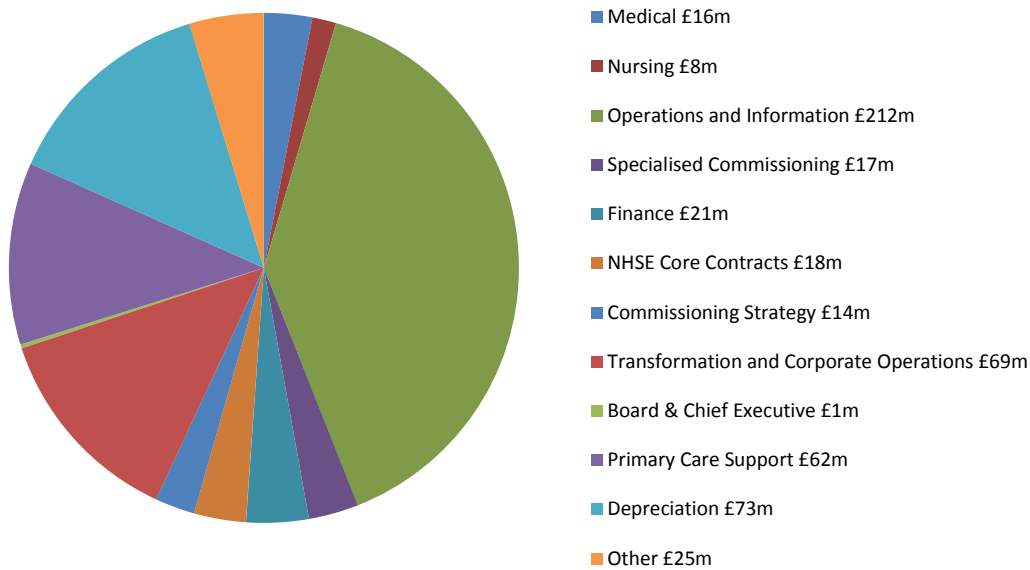


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The running costs budget for NHS England in 2017/18 and 2018/19 has been set at £536m which represents the same underlying baseline cash funding as received in 2016/17. However this is a real terms reduction due to the need to fund pay and prices inflationary pressures. Directorates are therefore required to deliver savings to fund this pressure as well as other pressures and investments.

The diagram below shows how our core running costs are split between our directorates and our other corporate funds for 2017/18.

2017/18 NHS England running cost budgets (£m)



The directorate breakdown of the 2018/19 £536m allocation has not yet been confirmed. We are looking to shape our available resources in the best way possible to support transformation in local health and care systems as set out in 'Next Steps on the NHS Five Year Forward View', and our proposals for 2018/19 will be developed in that light.

Our central programme costs and transformation funding are focused primarily on the delivery of our corporate and directorate priorities. For the first time, 2 year allocations have been agreed, in line with the national planning guidance.

The central programme budget of £646m (£642m in 2018/19) is a reduction of approximately £50m (7%) from the 2016/17 baseline. This follows a 10% saving in 2016/17, and is designed to maximise funding available for front line services and transformation.

Nearly half of the available funding is essentially a 'pass-through' cost to fund Clinical Excellence Awards, a variety of other operational commitments and to fund NHS provider support commitments. This leaves approximately £250m each year (excluding depreciation and a small contingency) for direct investment by NHS England to deliver on the priorities and objectives outlined in 'Next Steps on the NHS Five Year Forward View', including £46m deployed through various improvement bodies, namely Academic Health & Science Networks (AHSNs) and Clinical Networks and Senates.

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In addition to the central programme budget, we hold separately funds for transformation of £1.1bn for both 2017/18 and 2018/19 which are allocated to support the implementation of the Five Year Forward View in collaboration with Sustainability and Transformation Plan areas, focusing on priorities such as Urgent and Emergency Care, Primary Care, Cancer and Mental Health.

The business planning process ensures a clear alignment between deployment of NHS England programme and transformation funding and the priorities identified at corporate and directorate level. The table below shows how the central programme and the transformation fund are allocated to the priorities set out in 'Next Steps on the NHS Five Year Forward View'.

2017/18 and 2018/19 NHS England programme and transformation budgets supporting corporate priorities (£m)

Priority	2017/18 (£m)			2018/19 (£m)		
	Central programme	Transformation funding	Total Funding	Central programme	Transformation funding	Total Funding
Improving health	10	322	331	5	332	337
Transforming care	87	332	418	87	243	330
Controlling costs and enabling change	92	174	266	84	180	264
Directorate priorities	73		73	72		72
Clinical Excellence Awards	151		151	152		152
Provider support	118		118	118		118
Other Programmes	40		40	38		38
GM devolved transformation		120			150	
Other	77	141	218	85	231	317
Total	646	1,089	1,615	642	1,136	1,628

Within Primary Care funding we have also allocated £336m and £429m in 2017/18 and 2018/19 respectively to support transformation of the GP Five Year Forward View.

In addition to the central programme budget and transformation fund, we hold separately a Sustainability Fund of £1.8bn to support the financial position of providers. The deployment of this fund is agreed jointly between NHS Improvement, NHS England, the Department of Health and the Treasury.

NHS England also holds £260m in capital resource for both 2017/18 and 2018/19 to deliver agreed capital schemes, such as supporting information technology infrastructure and transformation in General Practice.

5 Our people

NHS England directly employs 5,300 people across the country and we aim to provide effective services which support and develop the capability we need to carry out our objectives and plans.

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In the last year, we have continued to identify and develop talent in our senior management grades, and have significantly improved our staff engagement across the organisation. We have also made significant improvements to our recruitment and support services to enable faster and more flexible resourcing. Work will continue to further improve and embed these changes.

For the next 2 years, we need to realign our staff and activity to more directly support NHS transformation and the emerging STPs. In this context, our priorities for the next 2 years are:

- Realigning our work to more directly support transformation in the local health and care system which means during the next two years we will be streamlining much of our activity, with a view to freeing up staff who can more directly help STPs and local systems with their work, as indicated in 'Next Steps on the NHS Five Year Forward View'.
- Improving staff engagement, diversity and inclusion in our workforce. We are proud that, despite all the pressures, our recent staff survey results showed a 10% improvement in engagement levels to 73%, compared to our results in 2015, reflecting increased pride our people feel in working for NHS England and their willingness to consistently go the extra mile to make a difference to colleagues, the wider NHS, patients and taxpayers alike.

In addition, we have acknowledged that the pace and pressure of work can sometimes impact on people's health and wellbeing. Our work on the physical, mental and emotional health, safety and wellbeing of our workforce was formally recognised in December 2016 when NHS England was accredited with the Health@Work Workplace Wellbeing Charter.

We have also made progress in creating a more diverse and inclusive workforce, ensuring the people we employ better reflect the people we serve and enabling all staff to reach their full potential. However, there is more to do.

During 2017/18 and 2018/19 we will:

- Continue to build our capability especially in improvement, commercial and system leadership;
- Identify and allocate staff and teams to directly support STPs.
- Ensure our work is streamlined and better supports and enables local health system delivery.
- Continue to improve how we engage with our staff, how we involve them and encourage participation in our work, by listening to and acting upon feedback and ideas received from our staff and involve and engage colleagues about our refreshed purpose and future changes;
- Continue with our focus upon 'Respect at Work' driving a zero tolerance approach to poor workplace behaviours, bullying, harassment and discrimination and improving the positive experience of people across the organisation;
- Continue to develop our approach to creating a more diverse and inclusive workforce, with a particular focus upon positive support for Black and Minority Ethnic (BME) colleagues to enable more BME staff to achieve senior roles.

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