

NHS England and NHS Improvement funding and resource 2019/20: supporting 'The NHS Long Term Plan'



NHS England and NHS Improvement



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1. Introduction

Every year, the Government is required by statute to publish a mandate which sets the Government's objectives for NHS England. This is accompanied by financial directions to which NHS England must adhere. The mandate therefore sets the direction for the NHS, and helps ensure the NHS is accountable to Parliament and the public. The Department of Health and Social Care publishes a remit letter for NHS Improvement, which sets out its key objectives for that financial year. This year, to reflect closer working between our two organisations, the Government, NHS England and NHS Improvement are working together to align these separate documents and objectives for 2019/20.

On 7 January 2019, [The NHS Long Term Plan](#) was published. This was developed in partnership, and it sets the direction for the NHS over the next 10 years. The subsequent implementation framework, to be published in spring 2019, covers plans until 2023/24, building on the [NHS Shared Planning Guidance for 2019/20](#). The Long Term Plan sets out how we will apply NHS funding to invest in changes and improvements to the NHS.

Building on the collaborative approach to developing The Long Term Plan, the NHS Assembly will be formed in spring 2019 as a new national forum to bring together a range of stakeholders from across the health and care system to advise our two boards as part of a "guiding coalition" to support the implementation of The Long Term Plan. The Assembly will comprise around fifty individuals, drawn from national and frontline clinical leaders, patient leaders, staff representatives, health and care system leaders and voluntary, community and social enterprise sector leaders, who will bring their experience, knowledge and links to wider networks to inform the discussion and debate of the Assembly.

This document provides information about NHS England's and NHS Improvement's funding in 2019/20. It also sets out how NHS England and NHS Improvement will support The Long Term Plan through distribution of funding, people and resources, to transform local health and care systems.

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

2. Involving and consulting with patients and the public

Building on the [NHS Five Year Forward View](#), The Long Term Plan places working in partnership with people and communities at its core. This ambition cannot be achieved without effective collaboration between health and care services and those they serve. NHS England and NHS Improvement are committed to ensuring that public and patient voices are at the heart of shaping our health and care system, and it is essential that our work is based on a good understanding of what matters to

people and communities. NHS England has specific legal duties relating to the commissioning of services in this regard. NHS Improvement (Monitor and the NHS Trust Development Authority) also has specific duties to ensure that people are involved appropriately.

Effective engagement enables people to contribute their insights, expertise and experiences to help shape health and care services and to improve support processes. Our [Patient and Public Participation Policy](#) and supporting NHS England [frameworks for public participation](#) set out how we will ensure that patients, carers and members of the public are involved in our direct commissioning areas. Our [Patient and Public Voice \(PPV\) Partners Policy](#) describes how we work with people in a range of different ways, making sure we engage with people from diverse communities and support them appropriately. In 2019/20 we will review and update these policies and how they are implemented.

We will ensure that people and communities are fully involved throughout the development of plans to deliver the ambitions in The Long Term Plan, with a particular focus on ensuring that the people who face the greatest health inequalities have their experiences and insights fully understood in developing services and support.

We will work with people and partner organisations through the voluntary sector Health and Wellbeing Alliance, NHS Youth Forum, Older People's Sounding Board, Learning Disability and Autism Forum and other networks and forums, as part of the NHS Citizen programme as partners in delivering change.

Information about current involvement opportunities, learning and development, good practice guides and a series of other tools to support public participation are available on the NHS England [Involvement Hub](#).

3. Promoting equality and reducing health inequalities

Building on the NHS Five Year Forward View, The Long Term Plan and the [Equality Impact Assessment of The Long Term Plan](#) set out the strategic approach to promoting equality and reducing health inequalities for the NHS in the next five to ten years.

NHS England and NHS Improvement are committed to ensuring we meet the diverse needs of patients, staff and communities, through targeted work with groups protected under the Equality Act 2010 and those groups facing the starkest of inequalities in health access and outcomes. We are committed to meeting the public sector duties for promoting equality as defined in the Equality Act 2010, which apply to both NHS England and NHS Improvement. NHS England further has duties under the NHS Act 2006 to work towards reducing inequalities in health access and outcomes.

As part of The Long Term Plan commitments on reducing health inequalities we will develop resources and activities aimed at 'supporting all health systems to develop

their plans to specifically reduce health inequalities by 2023/24 and 2028/29', including the publication of a 'menu' of evidence-based interventions that if adopted locally would contribute to this goal. NHS England will continue to build on its activities through the implementation of the [Equality and Health Inequalities NHS RightCare Packs](#).¹ The packs will help support the work of the NHS with evidence of stronger statistics and analysis and help to fulfil our commitment to ensuring all those using NHS services have fair and equitable access to high quality services that are appropriate and in proportion to their needs. The packs help the NHS identify areas of improvement in promoting equality and reducing health inequalities. They also complement the work of Public Health England and will support improvement in reducing health inequalities in local health and care systems through the [Clinical Commissioning Group Improvement and Assessment Framework \(CCG IAF\)](#).

The CCG IAF and NHS Improvement's [Single Oversight Framework](#) will be subsumed within a new integrated NHS Oversight Framework in the coming year. Through our joint commitment to the Inclusion Health agenda, which involves working to improve the health of those groups facing the worse health outcomes, we will implement the recommendations set out in the [Rough Sleeping Strategy \(2018\)](#). This will include an investment of up to £30 million in meeting the needs of rough sleepers to ensure the parts of England most affected by rough sleeping will have better access to specialist homelessness NHS mental health support, integrated with existing outreach services.

Over the next three years NHS England and NHS Improvement will jointly continue our commitments to advancing equality through the continued piloting and implementation of the [Sexual Orientation Monitoring Standard](#), aimed at promoting Lesbian Gay Bisexual equality in England; supporting the implementation of the [LGBT Action Plan 2018](#) aimed at improving the health of lesbian, gay, bisexual and transgender people; the continued development and implementation of the [Workforce Disability Equality Standard](#), a series of metrics aimed at reducing the employment disparities faced by people with disabilities and improving the experiences of disabled staff in the NHS. We will also continue to measure our improvements against the [Workforce Race Equality Standard](#).

As set out in The Long Term Plan, NHS England will also look to increase the number of organisations making the Learning Disability Employment Programme pledge. From 2019/20 NHS England and NHS Improvement will agree appropriate reporting arrangements for the development of equality objectives, publishing equality information, publishing annual gender equality data, and reporting on compliance with the [Public Sector Equality Duty](#).

We will also ensure the work of the [Equality and Diversity Council](#), which provides visible leadership on equality and diversity issues across health and care, is aligned to the objectives set out in [Next steps on the NHS Five Year Forward View](#) and The Long Term Plan.

¹ Equality and Health Inequality NHS RightCare Packs. Available from: <https://www.england.nhs.uk/rightcare/products/ccg-data-packs/equality-and-health-inequality-nhs-rightcare-packs/>

4. Quality of services

Both NHS England and NHS Improvement have overarching statutory duties to maintain and improve the quality of NHS services. Each delivers on these duties through a range of activities, working closely with partners at local, regional and national levels.

In 2018/19 NHS England has worked to improve quality within each of the Next steps on the NHS Five Year Forward View priority areas, including [urgent and emergency care](#), [primary care](#), [cancer](#), [mental health](#), [learning disabilities](#), [diabetes](#) and [maternity](#). NHS England supports the delivery of these priorities by helping to build quality improvement capability at all levels of the NHS (individuals, organisations and sustainability and transformation partnerships (STPs)/integrated care systems (ICSs)) via the [Sustainable Improvement team](#). All quality improvement support is co-ordinated and part of the cross-system National Improvement and Leadership Development Framework – [Developing People – Improving Care](#), led by NHS Improvement.

To enable the delivery of ongoing statutory duties, this year NHS England updated its CCG IAF for assessing individual CCGs' fitness to operate. This was complemented by NHS Improvement's updated [Single Oversight Framework](#) which captures and assesses individual trusts' organisational performance including the quality of care. These frameworks provide a focal point for joint work, support and dialogue between NHS England, NHS Improvement, CCGs, trusts and STPs/ICSs. NHS England also leads the surveillance and assurance of quality via [Quality Surveillance Groups](#) and [Risk Summits](#) which bring together different partners, including NHS Improvement, to share information and co-ordinate actions. These have evolved over the year to reflect the development of STPs/ICSs in different areas.

NHS Improvement has two specific statutory functions on patient safety: 1) to [collect information](#) on patient safety issues in the NHS; and 2) to [provide advice and guidance](#) to the NHS on reducing the risks to patients, including through issuing [patient safety alerts](#). As well as delivering these duties NHS Improvement has led work this year to [improve the effectiveness](#) of all national alerts from relevant NHS bodies. NHS Improvement also leads a number of multi-year safety improvement programmes, including the [Patient Safety Collaboratives Programme](#) and [Maternal and Neonatal Health Safety Collaborative](#). These represent multi-million pound investments in regional ([Academic Health Science Network](#) based) safety improvement infrastructure and directly support NHS providers to increase safety improvement capability and capacity as well as directly improving patient safety.

Both NHS England and NHS Improvement lead a range of programmes and initiatives aimed at improving quality. For example, this year there has been a renewed focus on the effective identification and management of [patient deterioration](#), including [sepsis](#), led by NHS England. NHS Improvement launched the 'red dot' as part of the national [Stop the Pressure campaign](#) in collaboration with tissue viability nurses to increase awareness among healthcare professionals and the public about the damaging impact of pressure ulcers and what can be done to reduce the risk.

The [National Clinical Audit and Patient Outcomes Programme](#), commissioned and managed by the Healthcare Quality Improvement Partnership on behalf of NHS England, publishes clinical audits relating to the most commonly occurring conditions to inform quality improvement activities. This year NHS England brought together a group comprising key national partners, including NHS Improvement, to help shape the portfolio of audits and develop ways in which audit recommendations can sustainably support improvements in the quality of patient care. NHS England also collaborates with the [National Institute for Health and Care Excellence \(NICE\)](#) to ensure NICE activity aligns with NHS England and NHS Improvement requirements.

NHS England and NHS Improvement will work more closely together during 2019/20 to better support the NHS to deliver high quality care to patients. We will align around delivery of The Long Term Plan which includes priorities for care quality and outcomes improvement to ensure a strong start in life for children and young people, and better care for those with major health conditions. The Clinical Review of Standards is being followed by field testing and evaluation of any new and revised standards prior to wider implementation from October 2019 and then April 2020.

The vision for quality set out in The Long Term Plan will only be achieved with adequate workforce expansion and reforms. NHS Improvement, Health Education England and NHS England will work with partners to develop a cross-system Workforce Implementation Plan which will be published in late 2019. NHS Improvement will also undertake a refresh of Developing People – Improving Care to further embed cultures of compassion, inclusion, and continuous quality improvement across the NHS.

Linked to The Long Term Plan, NHS Improvement will publish a national Patient Safety strategy relevant to all parts of the NHS, be that physical or mental health care, in or out of hospital and primary care. Following a significant engagement and review process, NHS Improvement also plans to publish the successor to the Serious Incident Framework (2015). This will provide updated national guidance on the systems, processes and behaviours providers, commissioners and oversight bodies should adopt to ensure patient safety incidents are responded to appropriately.

Our new NHS England and NHS Improvement joint governance will include a committee in common, the Quality Sub-Committee, which will oversee the quality of care across the NHS, receiving regular reports from the integrated regional teams and undertaking deep dives into areas of concern or interest. In strengthening our joint working we will transform the way we work to provide a single system view, messaging and shared leadership on quality which will support and enable the local health systems to maintain and improve quality across England.

5. Our operating model

Our new operating model brings together NHS England and NHS Improvement to ensure collectively we can add greater value to the NHS and represents a strong shift to regional delivery supported by expert corporate teams.

Local health systems will be supported by our new integrated regional teams, who will play a major leadership role in the geographies they manage. They will make

decisions about how best to support and assure performance in their region, as well as supporting system transformation and the development of STPs and ICSs.

The regions will be supported by eleven corporate teams, who provide specialist support and expertise to help drive improvement and transformation of local health systems.

On 1 March 2019 we announced a series of changes to our single operating model, following a decision from our two Boards. These changes include moving to a single Chief Executive and single Chief Operating Officer model, where the Chief Executive of NHS England provides the overall leadership to the two organisations and the Chief Operating Officer, will, for regulatory purposes, also be the identified Chief Executive of NHS Improvement. We are also streamlining our non-executive board governance.

This new operating model launches on 1 April 2019 with the new executive senior manager structures being appointed to. We will temporarily align our Agenda for Change (AfC) Band 9 to Band 2 staff to these structures while we finalise the full operating model design, completing by no later than December 2019.

6. Our funding

During 2018, the NHS was set a five-year revenue funding settlement by the Government, averaging 3.4% growth a year in real terms and reaching £20.5 billion extra a year in real terms by 2023/24.

The five-year funding settlement has given NHS England the opportunity to set allocations for the health system over an extended period, providing greater planning certainty and allowing local systems to develop more robust and sustainable plans to support delivery of The Long Term Plan.

For 2019/20 the total commissioning budget is £121.0 billion.²

The planned distribution of NHS funding for 2019/20 is shown in the diagram below and is as follows:

- The majority of the funding (almost £80 billion) is allocated to CCGs for commissioning local health services. A £300 million Commissioner Sustainability Fund will also support CCGs in commissioning services on a sustainable basis.
- A further £27.9 billion is spent on directly commissioned services including general practice (£8.8 billion) and specialised services (£19.1 billion). £7.0 billion is also allocated to other directly commissioned services, including dentistry, community pharmacy and ophthalmology services, public health, health and justice and armed forces.
- £2.7 billion is held to provide financial support to providers, including via the Provider Sustainability Fund and the new Financial Recovery Fund – which is

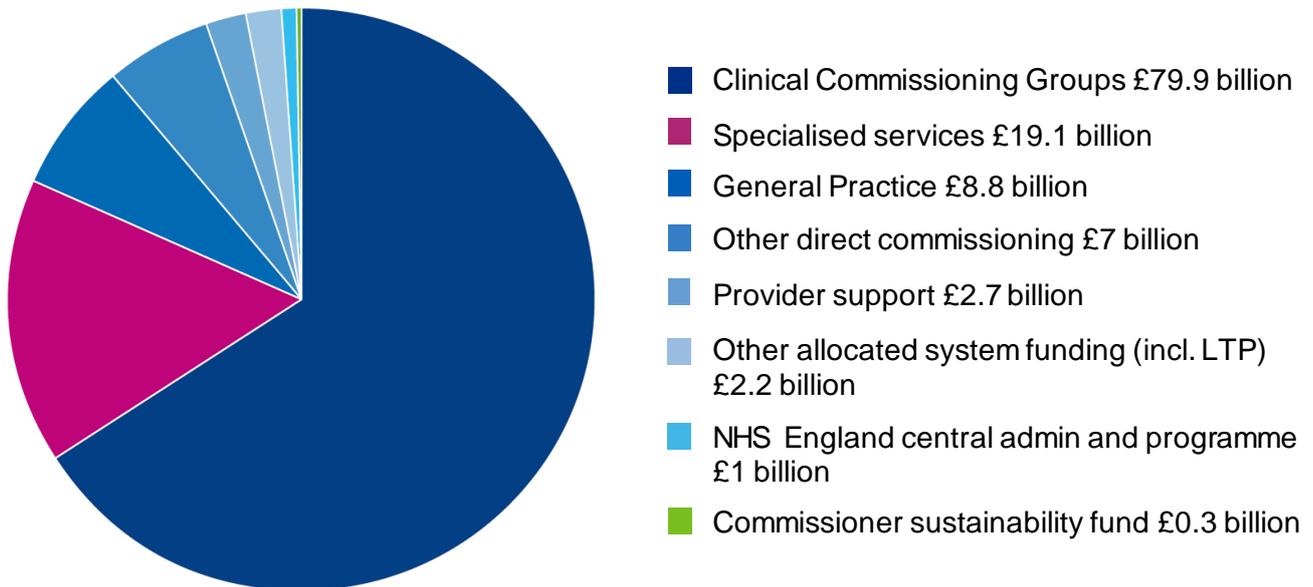
² This is the total Revenue Departmental Expenditure Limit (RDEL), including depreciation and impairments

designed to support systems' and organisations' efforts to make all NHS services sustainable.

- Other allocated system funding (£2.0 billion) includes funding for Long Term Plan commitments and service development.
- The remainder (£1.1 billion) covers central programmes and administration costs, which are covered in further detail below.

Further technical detail on commissioner allocations can be found on the [NHS England website](#).

2019/20 NHS England mandate revenue funding



Prioritising our corporate resources

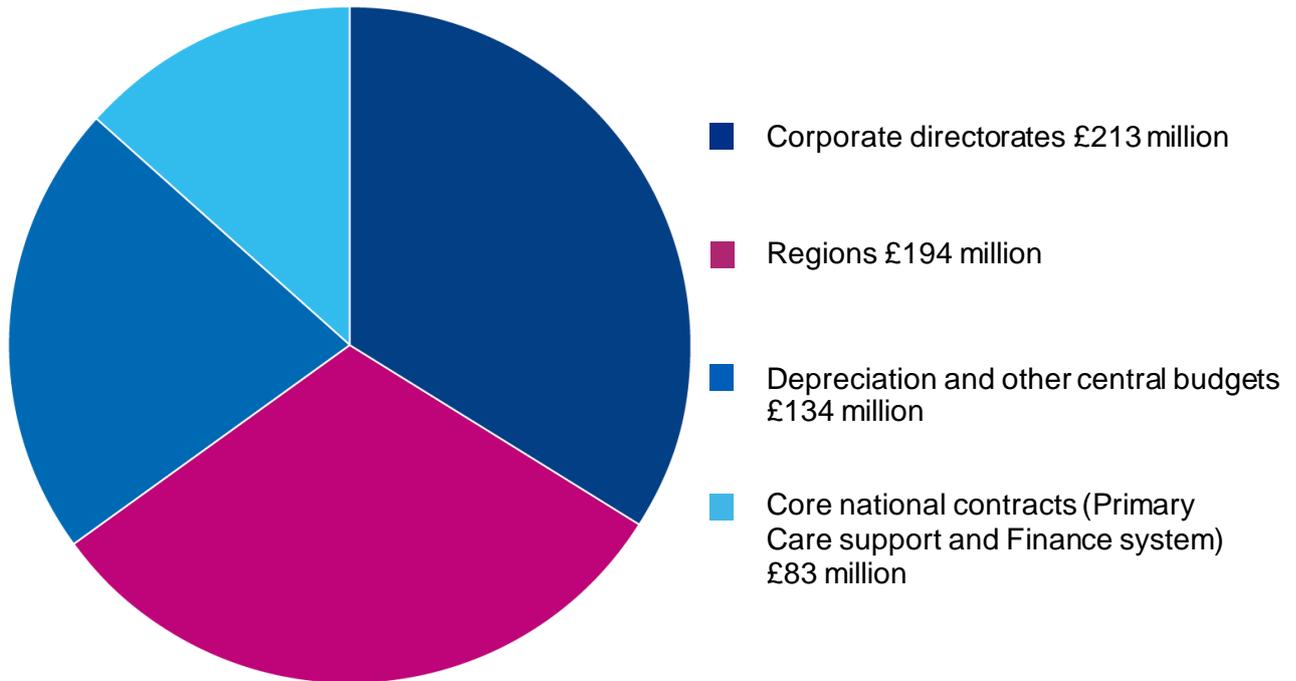
We need to effectively prioritise NHS England and NHS Improvement joint corporate resources from 2019/20 onwards to:

- Support delivery of The Long Term Plan.
- Complete our delivery of the Next Steps on the NHS Five Year Forward View.
- Continuously improve the way we support the delivery of our statutory functions.

From 1 April 2019, NHS England and NHS Improvement are formally moving to a joint working arrangement in a new corporate directorate structure and will be undertaking joint management and reporting of internal budgets and expenditure across central administration and programme costs. For 2019/20, £1.2 billion is available for central programme and administration budgets across NHS England and NHS Improvement (the £1.1 billion NHS England receives through the mandate shown above with some additional resource NHS Improvement receives directly from central government).

The Government's Spending Review in 2015 set out reductions in administration budgets across the public sector. NHS England and NHS Improvement confirmed in The Long Term Plan our intention to make savings to ensure that an increasing share of the NHS budget is invested in frontline services.

2019/20 NHS England and NHS Improvement joint administration budget (£624 million)

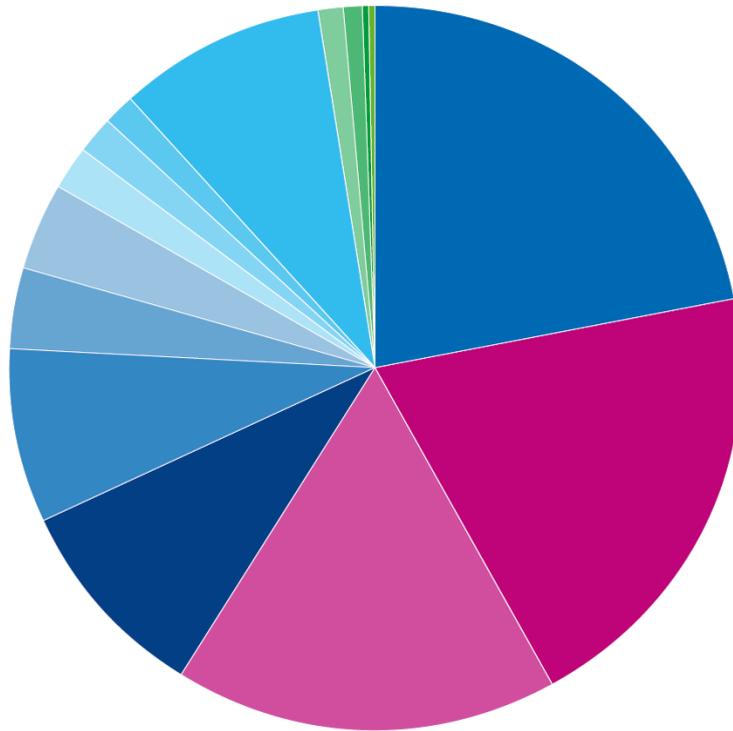


Our programme resources ensure the delivery of activities whose sole or primary purpose is to directly improve patient services or the quality of patient services. We have made indicative allocations for our corporate programme budgets for 2019/20; allocations for subsequent years will be informed both by The Long Term Plan and by the development of the new organisational operating model.

A large majority of the available funding for our central programme budgets is essentially a 'pass-through' cost to fund Clinical Excellence Awards, a variety of other operational commitments and previously agreed NHS provider support commitments.

Please see our split of resources across these categories below.

2019/20 NHS England and NHS Improvement joint central programme budget (£600 million)



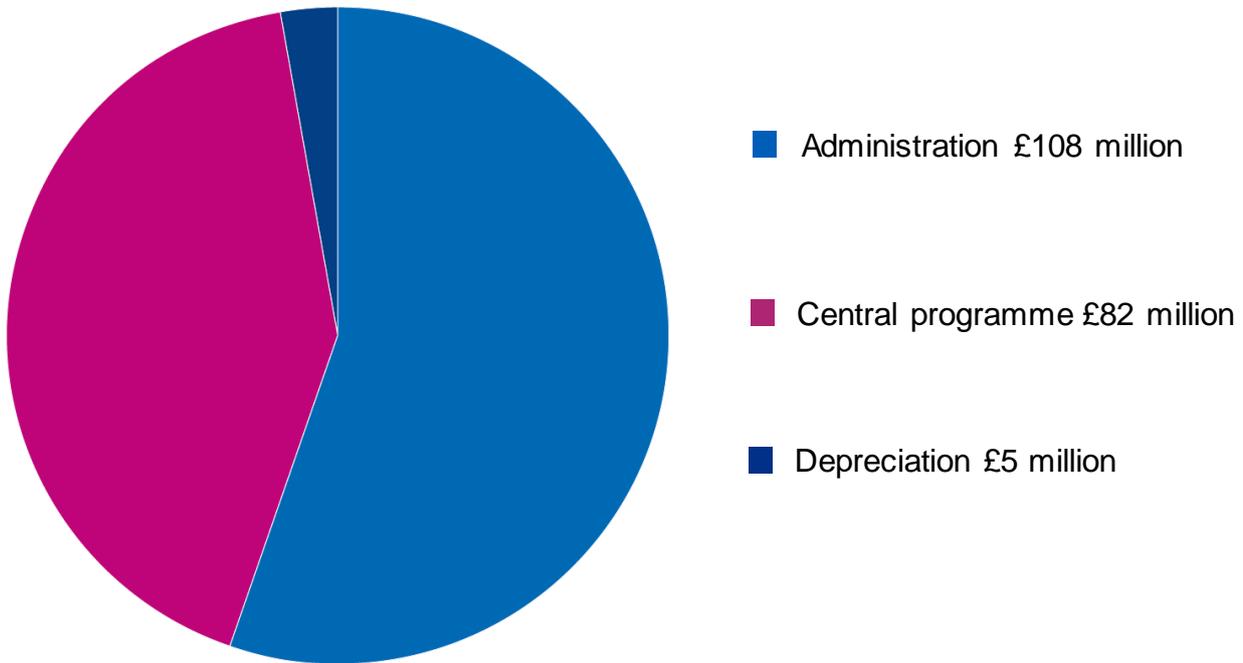
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| ■ Clinical Excellence Awards
£133 million | ■ Other pass-through
programmes £23 million | ■ Information, technology
and operations
£55 million |
| ■ Provider support £120 million | ■ Improvement £22 million | ■ Finance £7 million |
| ■ Depreciation £101 million | ■ Strategy and innovation
£13 million | ■ Regions £4 million |
| ■ Other £55 million | ■ Emergency and elective
care £10 million | ■ People £2 million |
| ■ Medical and Nursing £46
million | ■ Commercial £8 million | ■ Provider strategy £1 million |

These budgets will be recategorised to correspond to our new streamlined directorate structure in quarter one of 2019/20.

Our separate service development funds are allocated to support the delivery of The Long Term Plan in collaboration with STP/ICS areas, focusing on priorities such as Urgent and Emergency Care, Primary Care, Cancer and Mental Health.

The combined resource available for NHS England and NHS Improvement for central administration and programme resource is made up of resources passed to NHS England through the mandate and resources passed directly to NHS Improvement by central government.

NHS Improvement central administration and programme resources (£195 million)



7. Our people

NHS England directly employs 6,500, and NHS Improvement (through Monitor and the TDA) 1,500, 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.

We have taken steps to realign our staff and activity to support NHS transformation and emerging integrated care systems more directly, and to work more closely with our partners to support local health and care systems.

In the last year we have also made further 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.

We are serious about helping our staff improve and maintain positive health and wellbeing and continue to promote self-care and provide interventions to support our colleagues to stay mentally and physically well; while in parallel encourage them to positively influence social wellbeing.

We strive to create parity between mental and physical health and in May 2018 we published our internal Mental Health in the Workplace Strategy. In addition to increasing staff mental health support and awareness, we have also taken steps to increase senior leadership awareness of mental health through targeted training opportunities.

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In the last year, we have extended our talent management and development process to cover staff at Pay Bands 8a, increasing the employee population involved in talent development conversations by 1,750 to 3,442 and have started work with NHS Improvement on aligning our talent management and performance processes to achieve a single integrated process by 1 April 2019.

NHS England has increased investment in developing our line management capability with approximately 28% of our middle line managers having completed our Line Management Development Programme or attending a one-day workshop to date. We are on track to reach our target of 58% of all middle line managers and 35% of our executive senior managers by September 2019. 203 participants have graduated from NHS Improvement's Management Development programme (over the 19 cohorts from July 2015 to November 2018) who are now alumni, who we continue to support through externally focused action learning sets. Other corporate management development activities are complemented by devolved organisational development budgets, providing the opportunity for regional and corporate directorates to commission management development activities for their teams.

NHS England has continued to make progress towards meeting our public-sector target for apprenticeships with 60 new apprentice starts and a further seven apprentices completing their qualification. NHS England and NHS Improvement have agreed to work together to ensure a joint approach to apprenticeships and will also discuss how best this will work with our trade union colleagues. In the past year, NHS Improvement have committed to the NHS Graduate Trainee Scheme and engaged 13 trainees, and we are in discussion with other arm's length bodies (ALBs) about how we continue to support the scheme. We also have a number of talent programmes and ways of working across ALBs in which NHS England and NHS Improvement are taking part to ensure we continue to grow and support our staff across all opportunities for the health and care sector.

During 2019/20 we will:

- Jointly with Public Health England, work with the national programmes and local health and care systems more directly to lead and support the equality and health inequalities commitments outlined in The Long Term Plan and the Equality and Health Inequalities Assessment of The Long Term Plan.
- Further align our work and embed new ways of working along with other key partners to support single system leadership and transformation in the local health and care systems, through integrated approaches to human resources and organisational development.
- Continue to develop our shared culture and capabilities to ensure we are able to play our part in delivering The Long Term Plan.
- Continue to roll out an integrated approach to line manager development and leadership to strengthen the effectiveness of our day-to-day management practice, and how we lead and manage change.
- Continue to work towards meeting our public-sector target for apprenticeships by promoting and supporting apprenticeships as a learning and development opportunity for existing staff as well as promoting and supporting apprenticeships as a route into the organisation.

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- Further engage with our staff, involve them in how our work is changing, listen to and act upon their feedback, so we can continue to develop as a great place to work.
- Continue to lead and support the implementation of the Equality and Health Inequalities RightCare Packs with healthcare systems.
- Launch and implement the Workforce Disability Equality Standard.
- Continue to implement and expand the Learning Disability Employment Programme.
- Continue to create a more diverse and inclusive organisation, by improving our progress against the Workforce Race Equality Standards, [Stonewall Employers Index](#) and [Disability Confident Employer Standards](#), and by addressing our gender pay gap.
- Continue to build our capability, especially in improvement, system leadership and transformational change.