The reality behind the 2019–24 NHS funding settlement

The NHS has received a comparatively generous funding settlement, however, estimates of future pressures far exceed this allocated funding.

A modernised NHS
£36bn

To maintain the status quo
£28bn

Actual government funding
£20.5bn

Estimated financial pressures

- Stabilising waiting times
  £2bn
- Population growth and ageing
  £12bn
- Chronic conditions
  £4bn
- System deficit
  £2bn
- Drug prices
  £3bn
- Staff pay
  £8bn

Therefore to remain in balance, the NHS will have to continue to make considerable efficiency savings.

To maximise impact the funding should focus on:

- IMPROVING patient outcomes through investment in frontline services
- EXPANDING primary and community services to support prevention
- GROWING and valuing the workforce
- INVESTING in a transformed and modernised service

Why has the £2bn deficit developed?

Success of the NHS in supporting people to live longer, resulting in a growing and ageing population with more long-term conditions and therefore increasing treatment costs.

1948 2016

83 79


Average Increase in NHS spending per person

3.3%

0.6%

Underfunding

Despite savings of
£9.21bn by NHS trusts +
£5.96bn by CCGs
over the last three years

For this to work we need a realistic NHS plan developed with the NHS and the public that:

- identifies what we could stop doing to remain sustainable for the future and focus funding on what works for patients
- stops levels of efficiency savings
- sets realistic levels of efficiency savings
- supports collaboration, by removing financial and regulatory barriers to local integration
- outlines support for the current and future workforce
- focuses on prevention and reducing health inequalities
- is coupled with a resourced and robust financial plan for social care

For sources please visit www.nhscc.org/nhsfinances2018