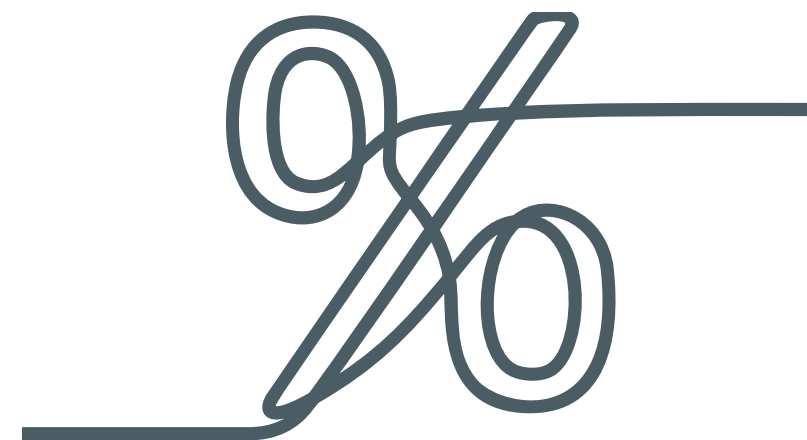


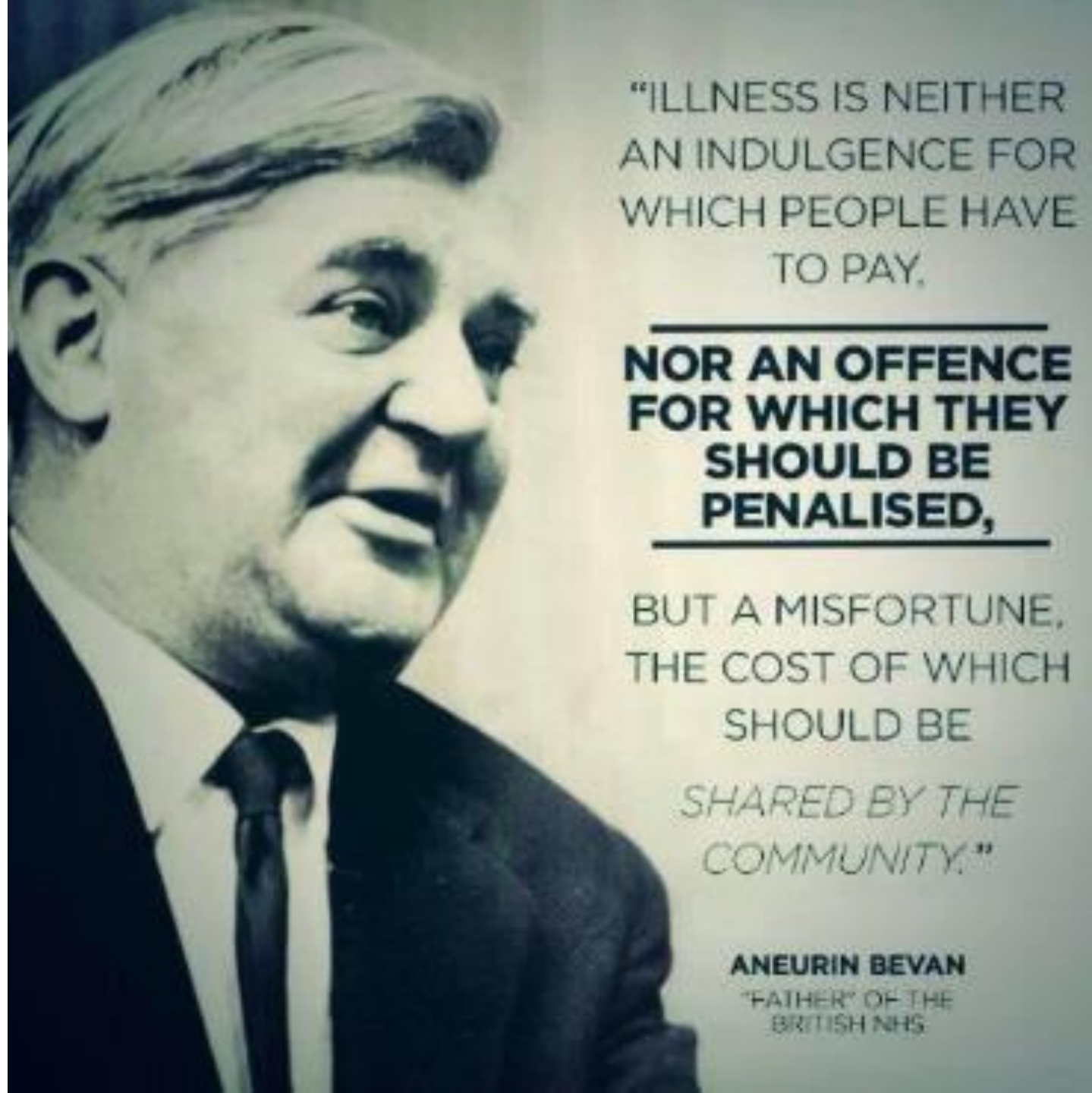
STRUCTURE & MONEY FLOW

FINANCE 4 CLINICIANS



THE NHS IS BORN

“No society can legitimately call itself civilised if a sick person is denied medical aid because of lack of means”



“ILLNESS IS NEITHER
AN INDULGENCE FOR
WHICH PEOPLE HAVE
TO PAY,

**NOR AN OFFENCE
FOR WHICH THEY
SHOULD BE
PENALISED,**

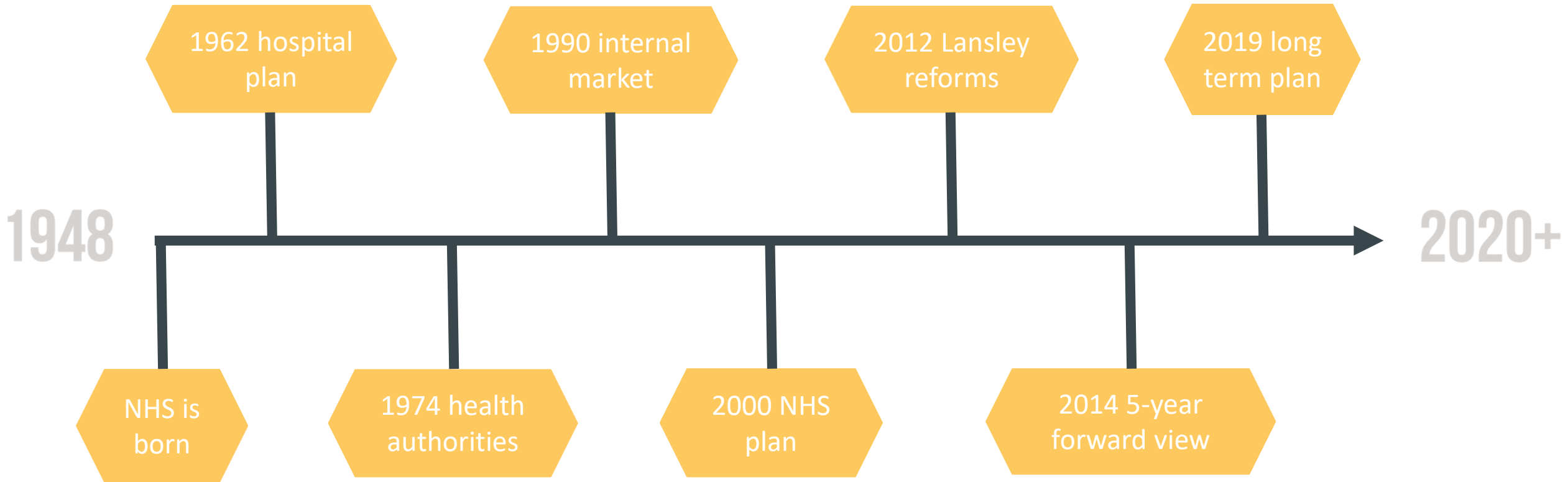
BUT A MISFORTUNE,
THE COST OF WHICH
SHOULD BE

*SHARED BY THE
COMMUNITY.”*

ANEURIN BEVAN

“FATHER” OF THE
BRITISH NHS.

NHS TIMELINE



EXECUTIVE AGENCIES

- Medicines & Healthcare products Regulatory Agency
- Public Health England



Department
of Health &
Social Care

SPECIAL HEALTH AUTHORITIES

- NHS Blood and Transplant
- NHS Business Services Authority
- NHS Resolution
- NHS Counter Fraud Authority

EXECUTIVE NON-DEPARTMENTAL PUBLIC BODIES

Commissioners

- NHS England/NHS Improvement

Central Support and Improvement

- National Institute of Health and Care Excellence
- Health Education England
- NHS Digital

Regulators

- Care Quality Commission
- NHS England/NHS Improvement
- Human Fertilisation and Embryology Authority
- Human Tissue Authority
- Health Research Authority

WHO DOES WHAT?

- **The Department for Health and Social Care** is the government department responsible for funding and coming up with policies to do with healthcare in the UK.
- **NHS England and NHS Improvement** is the umbrella body that oversees healthcare. It is an independent body, which means that the Department for Health cannot interfere directly with its decisions.
- **Clinical Commissioning Groups (CCGs)** are responsible for commissioning healthcare for their local area. They are run by GPs, nurses and consultants who assess local health needs and commission the services to meet them. They are in charge of around 60% of the NHS budget.
- **NHS Foundation Trusts and NHS Trusts** provide the care that the CCGs commission. They include hospital, ambulance, mental health, social care and primary care services.

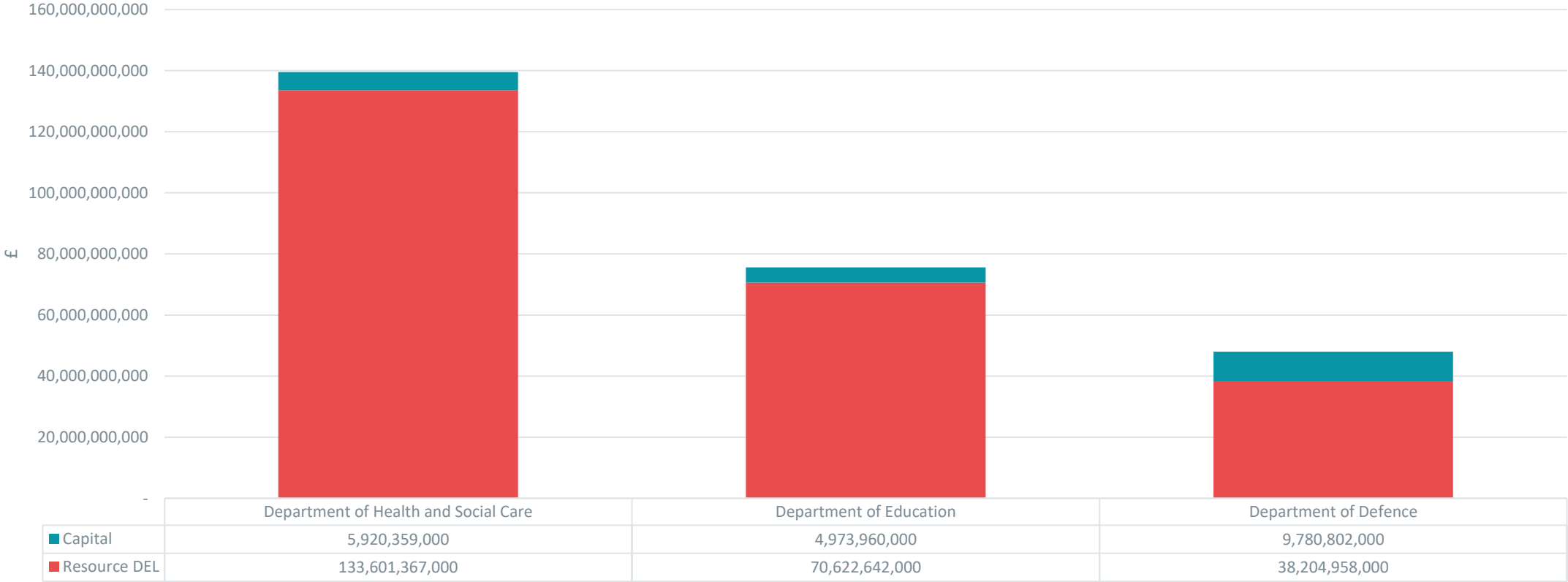


HOW MUCH IS SPENT ON HEALTH COMPARED WITH OTHER GOVERNMENT DEPARTMENTS?

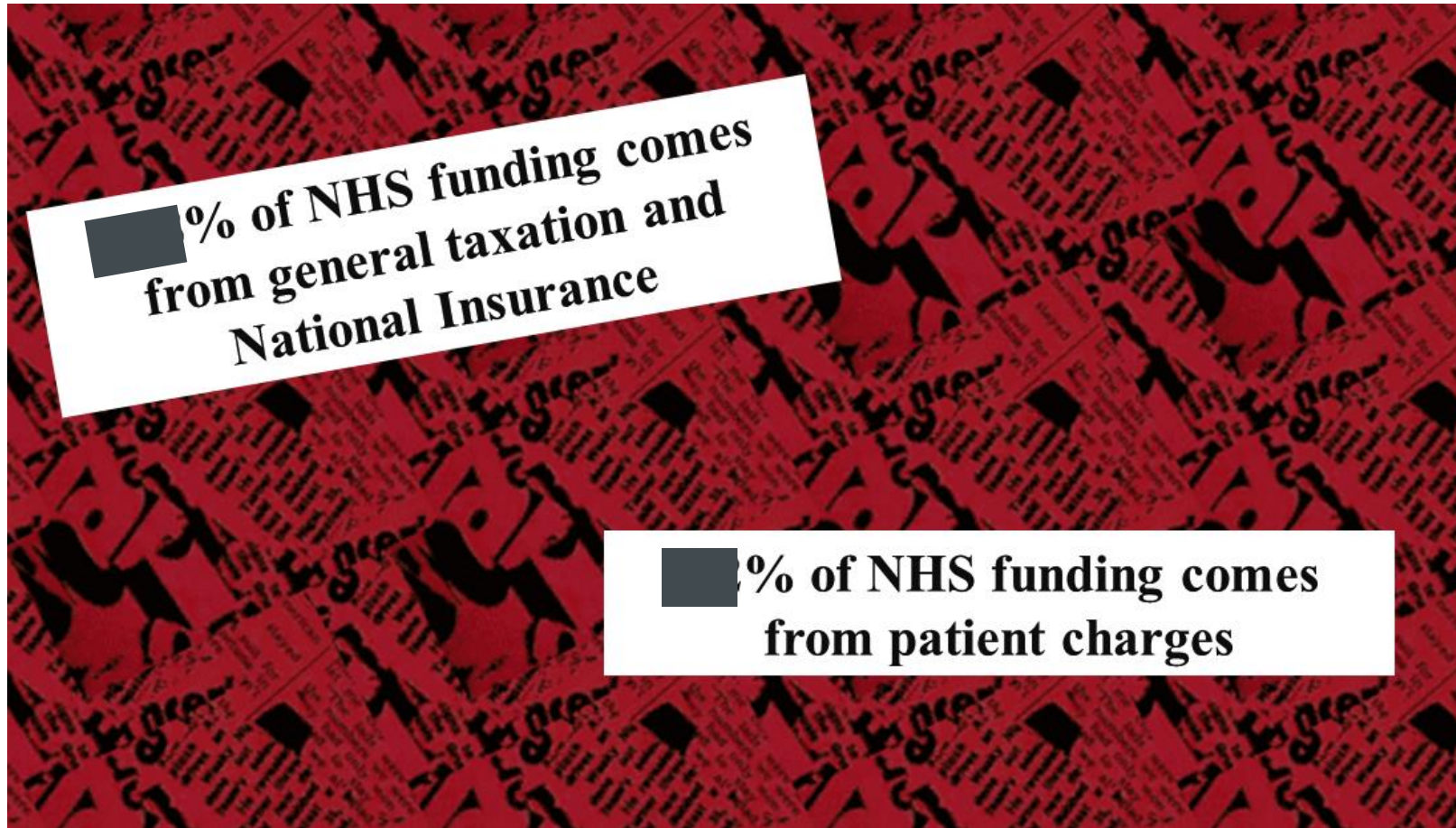


SPENDING ON HEALTHCARE/NHS ACCOUNTS FOR A THIRD OF DEPARTMENTAL SPENDING

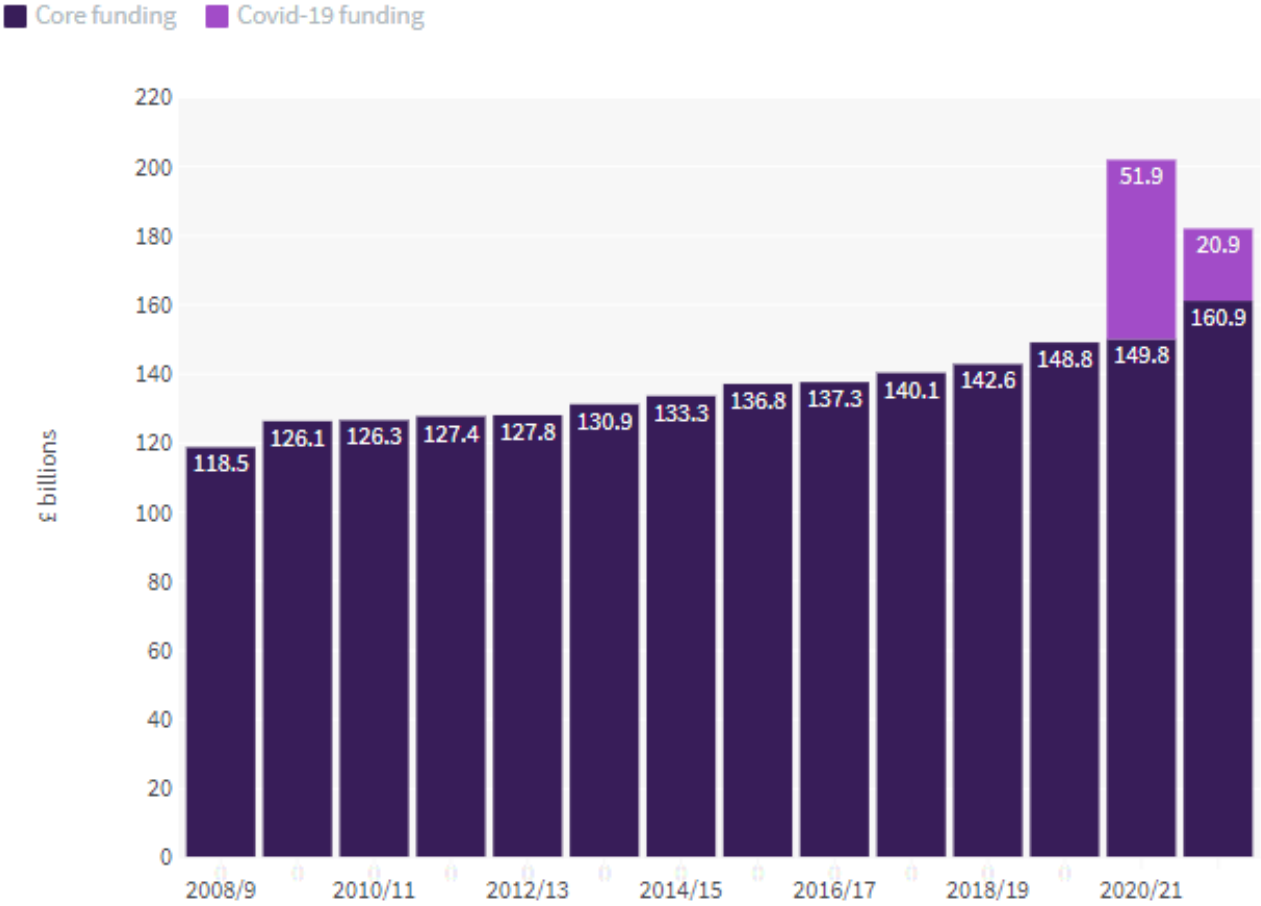
Departmental Budgets 2019/20



HOW IS THE NHS FUNDED?



DHSC BUDGET



Source: [The King's Fund analysis of HMT data](#)

THE DHSC BUDGET

Capital
£9.4bn



Revenue
£147.1bn



Total budget
£156.5bn*

NHS England and Improvement receive the majority of the DHSC budget with funding for 2021/22 of £136.1 billion pounds, which is set to rise to £148.5 billion per year by 2023/24.

*excludes AME

COVID-19

- Additional funding of around £50 billion was received in 2020/21 to fund amongst other things NHS Test and Trace and procurement of PPE (Personal protective equipment).
- Additional funding for 2021/22 for cost of pandemic of over £20billion including amongst others:
 - the rollout of the vaccination programme
 - Enhanced testing capacity
 - Increase supply of key medicines
 - Elective backlog
 - Waiting times for mental health services



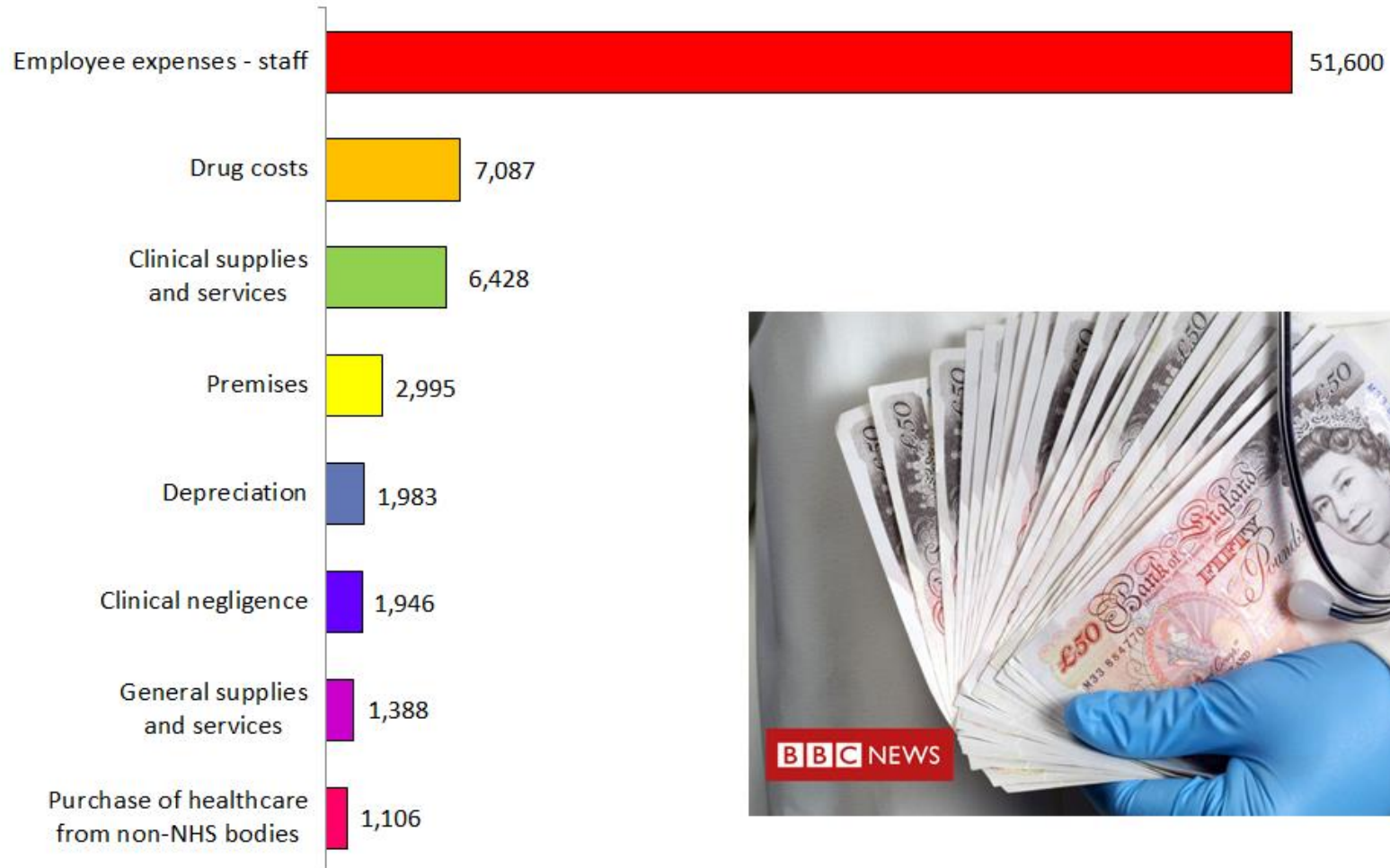
WHO DOES WHAT?

From the budget, the DHSC has to pay its internal costs and fund 14 other partner organisations, including amongst others:

- **The Care Quality Commission** who monitor, inspect, and regulate health and social care services to ensure they meet quality and safety standards.
- **Health Education England** who are responsible for the education and training of the Healthcare Workforce.
- **National Institute for Health Protection** who are replacing Public Health England. This new organisation will contain NHS Test and Trace and the Joint Biosecurity Centre, alongside absorbing Public Health England's current functions which include responding to threats from environmental hazards and infectious diseases, preventing poor health and reducing health inequalities.
- And **NHS England and NHS Improvement** who support the NHS to deliver improved care for patients through 7 regional teams.



HOW IS THE MONEY SPENT?



DIFFERENT COSTS

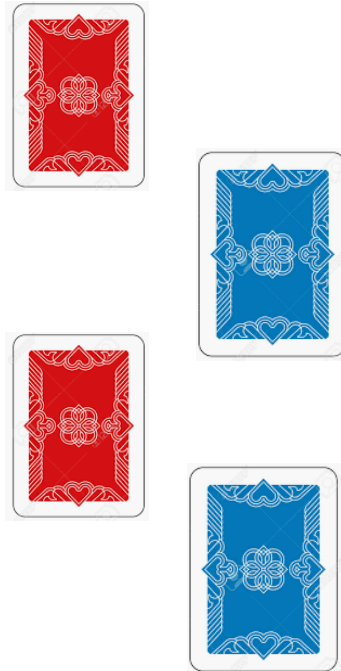
Cost of a consultant £120k

Cost of 3 nurses

Cost of CT scanner

Cost of 100,000 boxes of rubber gloves

Cost of an ambulance



COMMISSIONING

- Majority of NHS England budget is allocated to Clinical Commissioning Groups (CCGs).
- 135 CCGs in England compared to 192 at beginning of 2019/20.
- CCGs – clinically led
- CCGs plan and commission services for their patients, including:
 - Planned hospital care
 - Rehabilitative care
 - Urgent and emergency care including out-of-hours and NHS 111
 - Most community health services and
 - Mental Health and Learning Disability services
- Since April 2015, Primary care or GP services are co-commissioned by NHS England and NHS Improvement and CCGs.

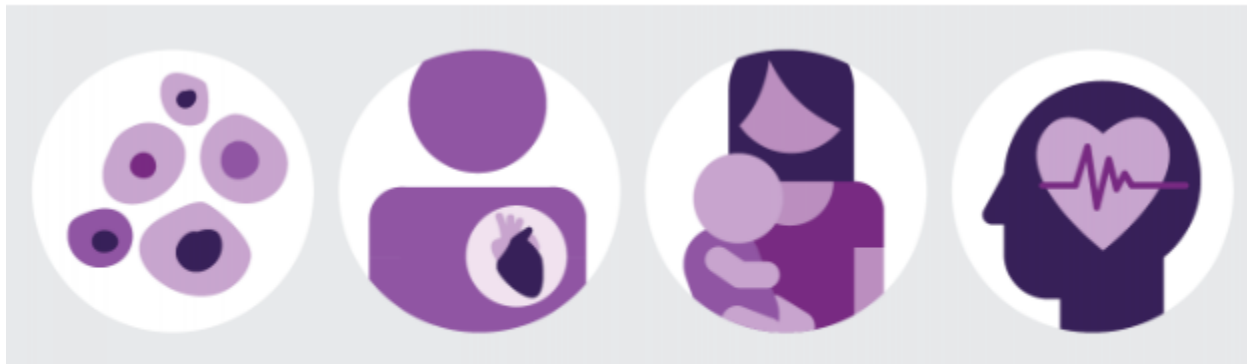
THE LONG TERM PLAN

- June 2018- PM announces new 5 year settlement
- £20.5b increase over this time
- Mental health spending to increase by £2.3b by 2023/24
- Money for NHS England only



THE LONG TERM PLAN

- Priorities for this money explained in the NHS Long term plan that was published in January 2019.
- The plan builds on the policy platform laid out in the NHS five year forward view (Forward View) which articulated the need to integrate care to meet the needs of a changing population.



– Cancer, cardiovascular disease, maternity and neonatal health, and mental health, are just some of the clinical priorities outlined in the plan.

NEW WAYS OF WORKING...

- **STPs** – Sustainability and Transformation Partnerships. NHS organisations and local councils were asked to collaborate and develop plans on how they would meet the health and social care needs of their populations.
- **ICSs** – Integrated Care Systems. ICSs are alliances of providers such as hospitals, community services, mental health services, GPs and may even include independent or third sector organisations, that decide to work together to deliver care rather than compete.
- STPs now evolving into ICSs. By April 2021, It is planned that all STPs should evolve into ICSs.
- It is likely that funding will increasingly be distributed at ICS level. There is an intention to move towards 1 CCG per ICS with commissioning on a more strategic basis.



WORKFORCE

- 1.7 million employed by the health service across the UK (5th largest employer in the world).
- The biggest group in the workforce are nurses. The numbers employed have trebled since the NHS was founded in 1948.
- But that pales into insignificance next to doctors. There are now 10 times as many working for the health service as there were when it was created.
- Workforce one of the biggest challenges facing the NHS
- 16,000 work in NHS Finance.

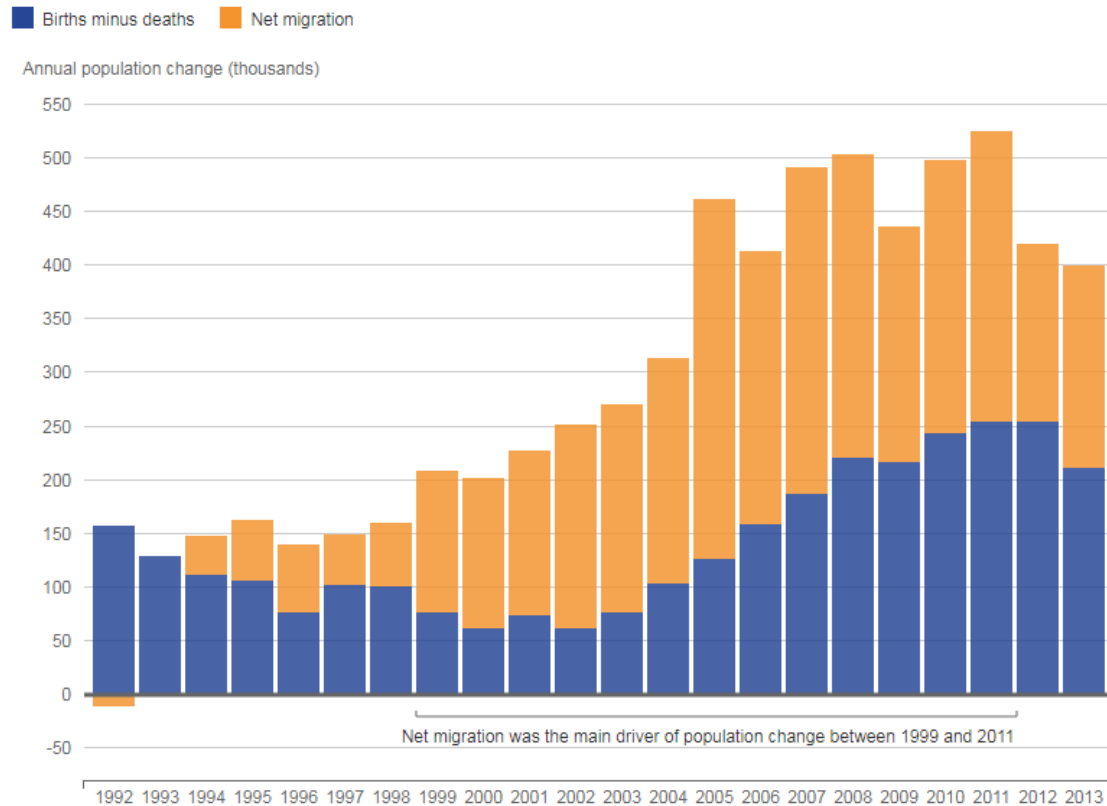


NHS CHALLENGES

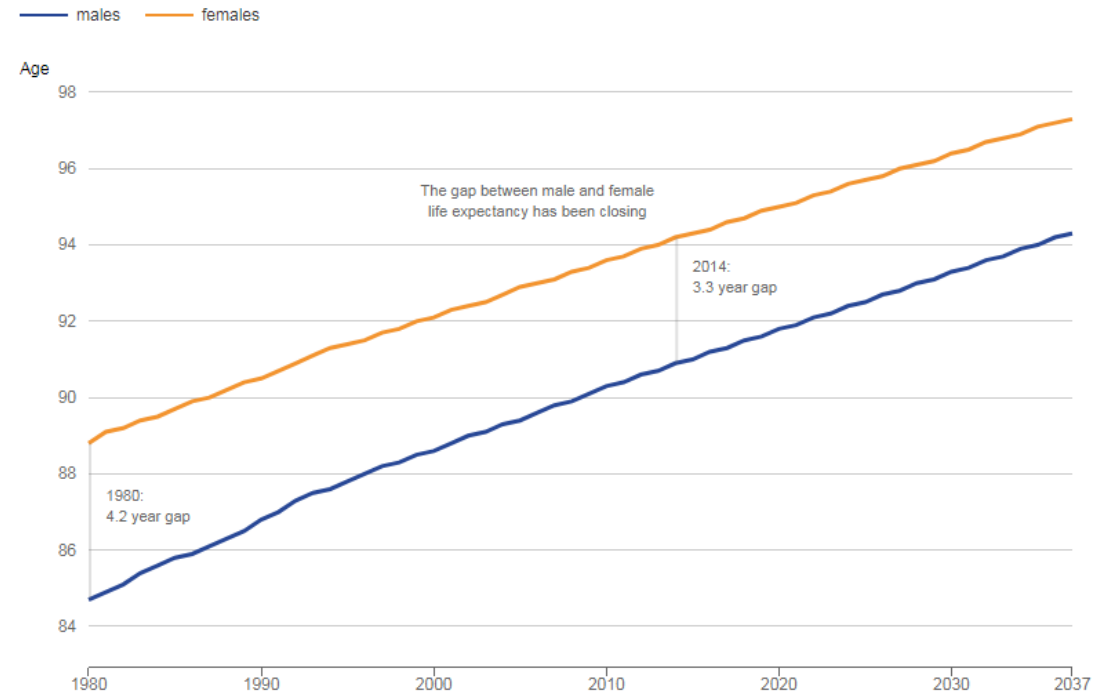
- People living longer
- Higher demand on services
- Evolving healthcare needs, such as the increase in cases of obesity and diabetes, or antibiotic resistance.
- Medical advancements save lots of lives every year but push up costs considerably. It is estimated that progress in medical technology costs the NHS at least an extra £10bn a year.
- Workforce
- COVID-19



NHS CHALLENGES: POPULATION & DEMOGRAPHICS



Cohort life expectancy at birth, UK, 1980 to 2037

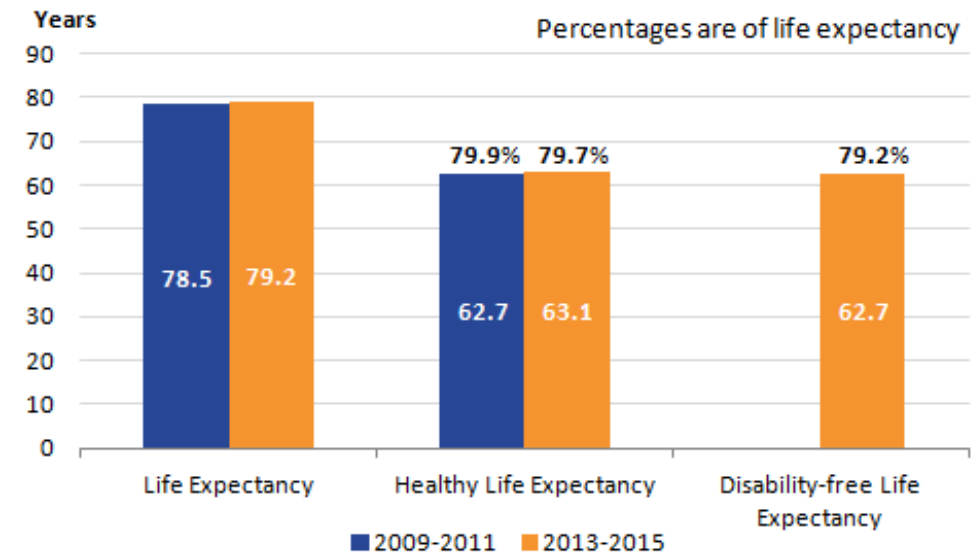


NHS CHALLENGES: POPULATION HEALTH

“Improvements to healthcare and living healthier lives mean that as a nation we are living longer and new born boys and girls can expect to live for 79 and 83 years respectively. However while we are living longer we are spending a smaller proportion of our overall lives in good health which puts a greater challenge on health services.”

Sarah Caul, Senior Health Researcher

Figure 1: Health state life expectancies at birth, males, United Kingdom, 2009 to 2011 and 2013 to 2015



Source: Office for National Statistics

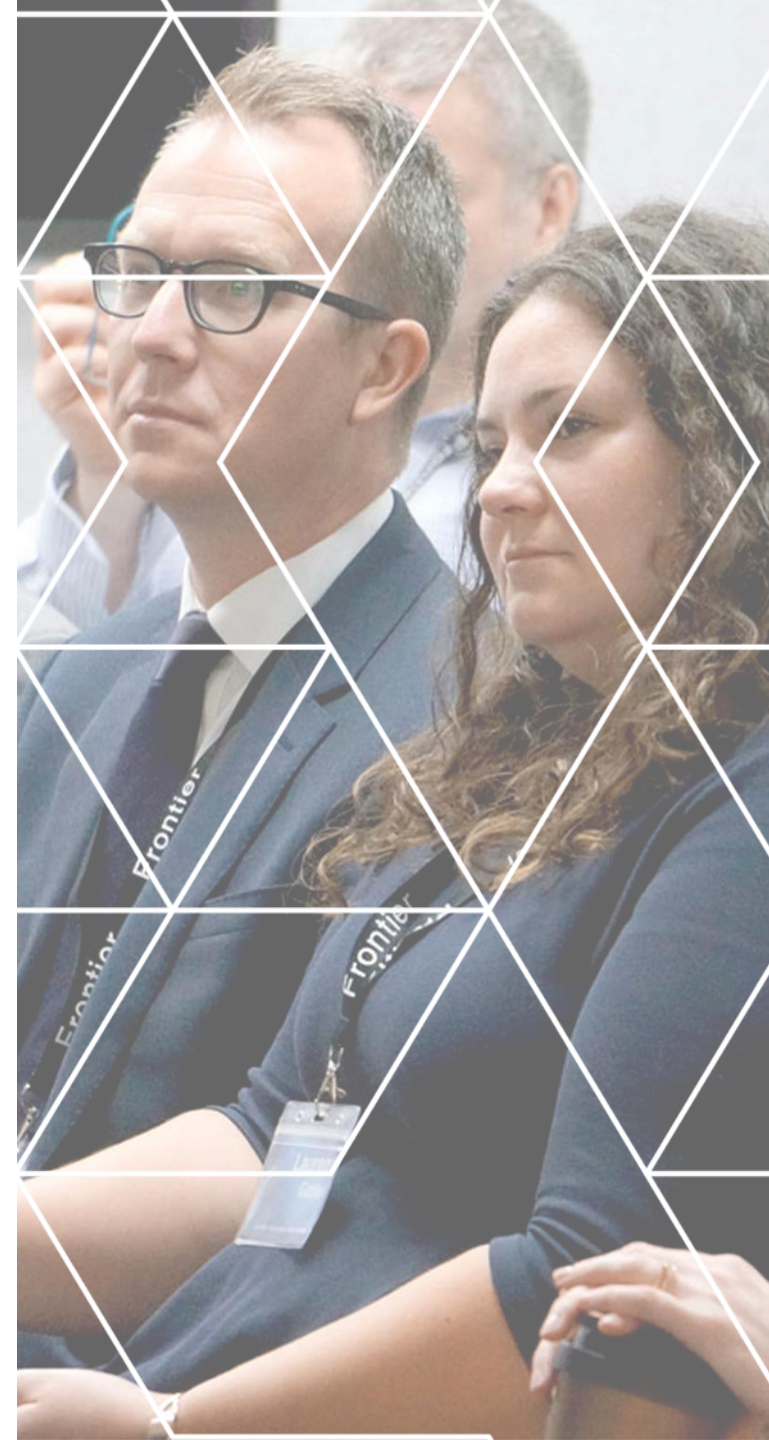
NHS CHALLENGES: POPULATION HEALTH

- About 15 million people in England have a long-term condition.
- Treatment and care for people with long-term conditions is estimated to take up around £7 in every £10 of total health and social care expenditure.



SUMMARY

- Money flows from Parliament via the Department of Health and NHS England and NHS Improvement and in the most part Clinical Commissioning Groups to the organisations that provide patient care. However, there are many organisational changes coming with a shift to system working. There will still be a role for commissioners, but it will look different.
- 2021/22 will be a key year to start to see what these changes look like – and how COVID affects this.



THE STRUCTURE OF THE NHS ANIMATION AND HOW THE MONEY FLOWS





Future-Focused Finance is a national programme designed to engage everyone in improving NHS Finance to support the delivery of quality services for patients. We want to bring finance staff at all levels of the profession together with the teams we work with in our own organisations and make sure that everyone has access to skills, knowledge, methods and opportunities to influence the decisions affecting our services. We believe by working together in this way we can harness our diverse and talented NHS workforce to produce high quality services and reduce waste in NHS spending.

The programme consists of national and regional events, networks, resources and talent development programmes – all designed to advance the understanding of finance in the NHS. Underpinning all of our work are commitments to value the diversity within NHS finance teams and to challenge behaviours that contribute to inequality in access to development and opportunities for some.