Governments across the UK face the difficult challenge of balancing unprecedented demand for services with financial constraint in the NHS. This graphic highlights the key NHS funding policy developments from each Government to address these challenges.

England

The **FYFV (five year forward view)** published in October 2014 by **NHS England** sets out how the service can **maintain its essential purpose** and **meet the challenges of the future**.

**Proposed efficiency savings by 2020**

- £1.0bn
- £5.0bn
- £15.5bn
- £500m
- £22bn total

**Unknown efficiencies?**

- Charges for overseas migrants
- Agency savings
- Productivity savings (Carter review)

**FYFV forecast - £30bn NHS funding gap by 2020**

- £0
- £5bn
- £10bn
- £15bn
- £20bn
- £25bn
- £30bn

- £22bn

**Proposed efficiency savings**

**Supposed increase in NHS funding**

**Supposed + £2bn surplus funding**
2015 Spending Review announced cuts for health spending of 20% because these fall outside of the new ‘NHS’ ring-fenced category. These cuts will affect public health, education and training, capital and national bodies.

‘£6.7 billion [of the annual efficiency saving of £22 billion] will be delivered nationally through a range of measures that the NHS nationally, the Department of Health and wider Government will be able to take, and that leaves us £14.9 billion to secure locally.’


Northern Ireland

The HSC (health and social care) budget in 2016/17 has been protected. Alongside this, the Department of Health and its arm’s length bodies will also have to identify substantial savings in order to supplement the additional budget allocation and deliver services with the available budget.

The Fresh Start agreement in November 2015 included additional investment of £47.6 million for HSC for the 2016/17 budget. £40 million was for hospital waiting lists and £7.6 million was to fund priority areas such as managing increased demand during the busy winter period, insulin pumps and psychological therapies.

An additional £72 million financial injection to the NHS was announced to help alleviate ‘well documented’ pressures as part of the June 2016 monitoring process.

‘[The £72 million financial injection] in anyone's language, that is a significant commitment to health. However, as we are all aware – it has been repeated across the House from all sides – continually providing additional funding to health does not address the underlying issues. Therefore, it is vital that the reforms identified as a result of the work led by Professor Bengoa be implemented.’

Minister of finance, Mr O’Muilleoir, June 2016

The Bengoa Report published in October 2016 said the health and social care system needed to change. In response a government report, Health and wellbeing 2026, was published setting out a plan for a direction of travel for services in Northern Ireland.
Scotland

The Scottish Government has taken a ‘value-based’ approach. ‘Value-based’ healthcare aims to deliver high quality services and value within the anticipated future resources.

2017/18 draft budget for health was over £13 billion.

The Scottish Government has estimated an increase of demand of at least 1% a year by 2030, which equates to an additional cost of £120 million per year.

Scottish Government estimates an increase of demand for health services

1% a year by 2030
additional cost £120 million per year

‘The current system of health and social care is under financial pressure, that change is necessary, and that clear priorities need to be set.’


Wales

Prudent healthcare is the Welsh Government approach to address the challenges facing the NHS. Principles of prudent healthcare are:

- Achieve health and wellbeing with the public, patients and professionals as equal partners through co-production
- Care for those with the greatest health need first, making the most effective use of all skills and resources
- Do only what is needed, no more, no less; and do no harm
- Reduce inappropriate variation using evidence based practices consistently and transparently
Two pieces of legislation, the Social Services and Well-being (Wales) Act and the Wellbeing of Future Generations (Wales) Act, have been brought forward to support prudent healthcare. Both acts encourage health boards to work with local government, other public and third sector bodies to map the needs of their local area and work together to develop services which reflect this.

A Parliamentary Review was announced following the 2016 elections to consider the long-term future of health and social care, including how it should be structured and resourced to meet future demand.

The 2017/18 draft budget announced a 2.5% increase in health, wellbeing and sport DEL resource (departmental expenditure limit) compared to the previous year.

2017/18 draft budget announced a £240 million boost to the Welsh NHS and £60 million investment into the Intermediate Care Fund to help people maintain their independence in the community.