FUNDING OVERVIEW

January 2015

The Health Foundation

Current NHS spending in England

by Sarah Lafond

SEE ➲
BRIEFING:
NHS Finances – The challenge all political parties need to face
www.health.org.uk/fundingbriefing

Spending on the NHS in England in 2013/14 was

£112 billion

Key points

1. **£112bn was spent on the NHS in England in 2013/14.*** This is the highest it has ever been (see table 1).

2. **So far, spending on the NHS in England has risen by an average of 0.7% per year in real terms over this parliament (2009/10 to 2013/14).** This is lower than the average rate of increase for the UK of 3.7% a year in real terms since the NHS was created in 1948.

3. **Spending on the NHS in England is planned to rise by 1.1% in 2014/15 and 1.3% in 2015/16, in real terms.** Following the Autumn Statement 2014, planned expenditure for 2015/16 is £116bn in cash terms. This is £3.1bn more than expenditure in 2014/15 (see table 1 and figure 3).

4. **The NHS budget is under increasing strain.** More than half of all NHS providers (hospitals, mental health trusts, ambulance services and community health services) were in deficit at the end of September 2014, with a total net shortfall of £630m.

5. **The biggest problems are being seen in acute hospitals**, which are experiencing increasing costs and lower efficiency savings. Among acute hospital providers, 81% report a deficit, resulting in a net shortfall of over £700m (see table 4).

6. **NHS administration costs fell at an annual average of 13.5% in real terms between 2009/10 and 2013/14**, dropping from £5.6bn to £3.1bn. This was a result of the 2010 Spending Review, which mandated the Department of Health to reduce administration costs by one third by 2014/15 against a 2010/11 baseline.

7. **Funding for secondary care services (hospitals, mental health and community nursing) has increased at a faster rate than for primary care.** Between 2009/10 and 2012/13 funding for general practice fell at an average annual rate of 1.3% in real terms, while funding for hospital services increased at a rate of 2.0% in real terms. This is despite government efforts to move care out of hospital (see figure 4).

8. **NHS spending on care supplied by non-NHS providers (private, voluntary and local authority organisations) has risen by an average of 6.2% a year in real terms between 2009/10 and 2013/14.** Services purchased by NHS commissioners (primary care trusts, NHS England and clinical commissioning groups) from non-NHS providers rose from £8.2bn in 2009/10 to £10.4bn in 2013/14 in real terms (see figure 5).

* In this paper, NHS spending is defined by the economic function 'health' and measured in relation to the total Department Expenditure Limit (DEL). All real terms figures are based on 2014/15 prices, unless otherwise stated.

9. **Spending on temporary staff has risen at a faster rate than spending on permanent staff.** The average number of directly employed permanent staff in the NHS remained relatively constant between 2010/11 and 2013/14, while the number of staff employed through bank and agency routes increased rapidly. Total spending by NHS providers on temporary staff increased by an average of 9% a year in real terms between 2009/10 and 2013/14, compared to an average of 4% a year for permanent staff (see figure 10).

10. **The NHS has reported £15bn of savings between 2011/12 and 2013/14.** The current forecast suggests that the NHS England will deliver £20bn of Quality, Innovation, Productivity and Prevention (QIPP) savings by 2014/15 (see table 4).

The rate of increase in public spending on the NHS in England has been slower since 2009/10 than it was for the decade before

Current and planned health spending

The following section discusses current and planned spending on the English NHS. It uses the total Departmental Expenditure Limit (DEL) as a measure of NHS spending. DEL is what the government allocates to departments to use when setting their budget. Based on this measure, the rate of increase in public spending on the NHS in England has been slower since 2009/10 than it was for the decade before. Between 1990/2000 and 2009/10, the average annual growth in expenditure was 6.3% a year in real terms. From 2009/10 to 2013/14, spending on the NHS in England increased at an average rate of 0.7% a year in real terms, from £108.84bn to £112.03bn (2014/15 prices).[1]

Between 2009/10 and 2010/11, spending fell by 0.7% in real terms, but it has since increased every year. However, between 2010/11 and 2012/13, population growth outpaced health expenditure, so health spend per head fell by 0.4%. Planned spending on the English NHS in 2014/15 and 2015/16 indicates increases of 1.1% and 1.3% respectively. As a result, spending per head is expected to increase by 0.4% and 0.6% over this period (see table 1).

Table 1: English NHS spending from 2009/10 to 2015/16, real terms in 2014/15 prices (£bn)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total DEL, in cash terms (£bn)	98.42	100.42	102.84	105.22	109.72	113.30	116.36
Total DEL, excluding depreciation, in real terms (£bn)	108.84	108.06	108.72	109.41	112.03	113.30	114.75
Annual change in Total DEL spending, excluding depreciation, in real terms		-0.7%	0.6%	0.6%	2.4%	1.1%	1.3%
Total DEL, excluding depreciation, per head, in real terms (£)	2,085	2,053	2,047	2,045	2,081	2,089	2,101
Annual change in Total DEL expenditure per head, in real terms		-1.6%	-0.3%	-0.1%	1.7%	0.4%	0.6%

Source: *Public Sector Expenditure Analyses 2014* (HM Treasury); *2014 Autumn Statement* (HM Treasury). Spending per head based on author's calculation using Office for National Statistics population estimates and correspondence with HM Treasury as of 13/01/2014.

Planned health spending* for the UK suggests a real terms increase in 2015/16 in England,[2] Scotland[3] and Northern Ireland,[4] but a fall of 1.0% in Wales.[5] This projected decline is mainly driven by a fall in Wales' capital DEL (-23%) rather than its resource DEL (-0.05%). Scotland plans to increase health funding by 0.3% in real terms between 2014/15 and 2015/16, while Northern Ireland† plans to increase it by 2.0% in real terms (see figure 1).

Figure 1: Annual change in health funding in the UK between 2014/15 and 2015/16, in real terms

Source: *2014 Autumn Statement* (HM Treasury); Correspondence with HM Treasury as of 13/01/2015; *Scottish Budget draft budget 2015-16* (Scottish Government); *Northern Ireland draft budget 2015-16* (Northern Ireland Executive); *Welsh government draft budget 2015-16* (Welsh Government).

Notes:

- Definition of what is included under 'health spending' may vary across the four countries.
- Figures for Scotland, Wales and Northern Ireland do not include extra funding announced during the Autumn Statement and is based on each country's Spending Review.
- Northern Ireland expenditure includes spending for public safety, which covers policy and legislation for fire and rescue services.

* Definition of what is included under 'health spending' may vary across the four countries.

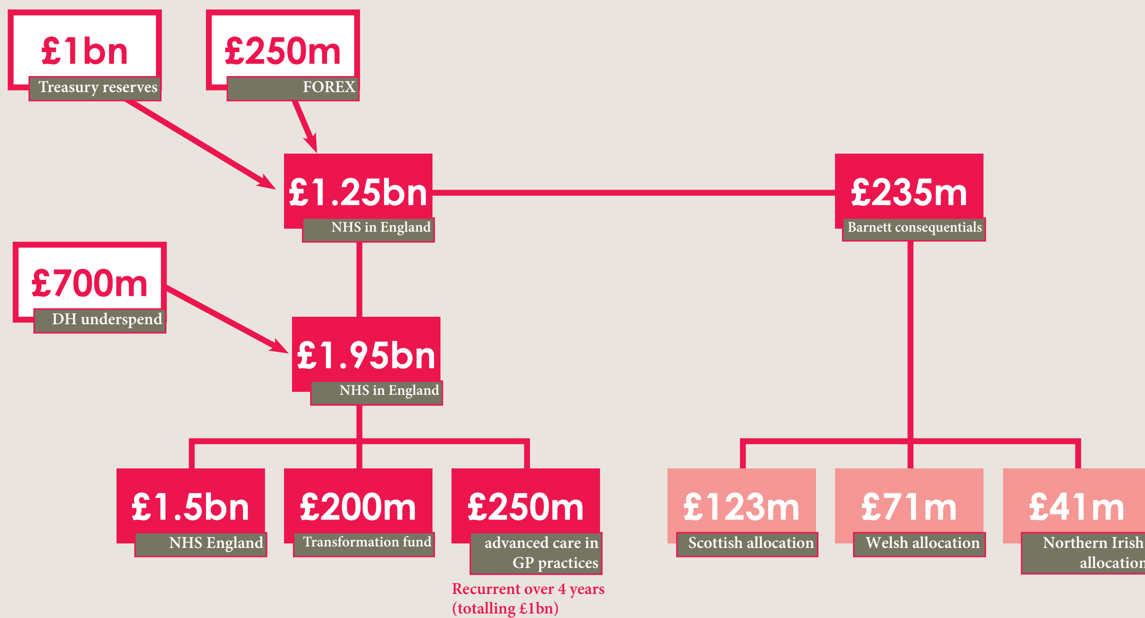
† Northern Ireland expenditure includes spending for public safety, which covers policy and legislation for fire and rescue services.

Autumn Statement 2014

In the Autumn Statement 2014 the government announced an extra £1.95bn for the English NHS in 2015/16. Of this, £0.7bn will come from the existing Department of Health budget, while £1.25bn will be additional money drawn from Treasury reserves (£1bn) and foreign exchange fines (£0.25bn). The majority of this extra funding (£1.5bn) will be spent on service delivery/ transformation, while £0.2bn will be used as a 'transformation fund' to help troubled health economies, and £0.25bn will fund advanced care in GP practices (see figure 2).[2]

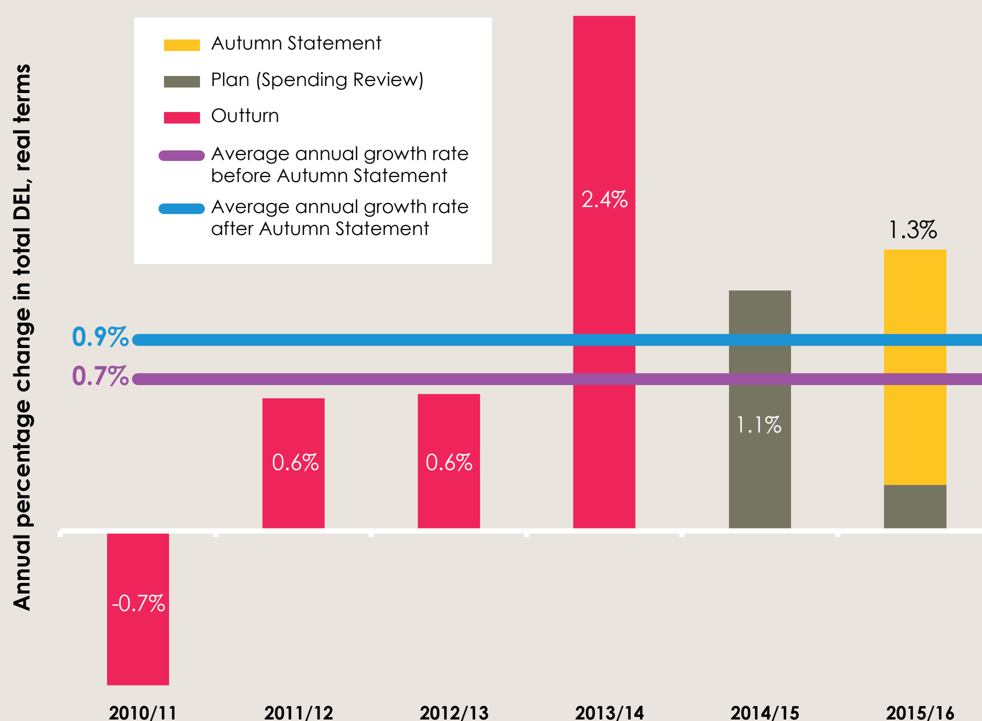
A result of this additional funding for the English NHS is that the devolved governments will also receive additional funds through the Barnett consequentials: £123m for Scotland, £71m for Wales and £41m for Northern Ireland. Whether this extra funding will be spend on health services or other public services will be decided by each of the respective devolved governments. If each does devote the money to the NHS, then the total spending increase for the UK NHS in 2015/16 will be £2.2bn.

Figure 2: Additional funding outlined in the Autumn Statement 2014



As a result of this additional funding, planned health spending for England in 2015/16 now totals £116bn in cash terms. This is £3.1bn more than the budget for 2014/15, representing an annual increase of 1.5% in real terms. This extra money will raise the average growth rate in health spending from 0.7% to 0.9% between 2009/10 and 2015/16 (see figure 3).[2]

Figure 3: Annual change in health spending following the Autumn Statement 2014



Source: *Public Sector Expenditure Analyses 2014* (HM Treasury); *2014 Autumn Statement* (HM Treasury).

Administration costs

The cost of NHS administration has fallen considerably during the current parliament. From 2009/10 to 2013/14, administration costs fell by an annual average of 13.5%, from £5.6bn to £3.1bn. The largest drop in spending was a fall of 36% between 2010/11 and 2011/12. This was a result of the 2010 Spending Review, which instructed the Department of Health to reduce administration costs by one third in real terms by 2014/15 against a 2010/11 baseline.[6] This target is likely to be reached even though administration costs are set to rise to £4.1bn in 2014/15, representing a 29% reduction compared to 2010/11. In 2015/16, administration costs are set to be reduced by a further 26% in just one year (see table 2).[1]

Table 2: NHS administration cost from 2009/10 to 2015/16, real terms

	NHS Administration cost £bn	Total spend £bn	Admin cost as a percentage of total spend	Annual change
2009/10	5.57	108.83	5.1%	-
2010/11	5.84	108.06	5.4%	4.9%
2011/12	3.74	108.72	3.4%	-35.9%
2012/13	3.82	109.41	3.5%	1.9%
2013/14	3.12	112.03	2.8%	-18.4%
2014/15	4.13	113.30	3.6%	32.6%
2015/16	3.08	114.75	2.7%	-25.5%

Source: *Public Sector Expenditure Analyses 2014* (HM Treasury); Correspondence with HM Treasury as on 13/01/2015.

Comparisons with other health care systems and industries show that the NHS is spending a relatively low percentage of its total budget on management.[7,8]

While administration costs are falling, investment in management is crucial for an organisation of the size of the NHS. It more difficult to implement and embed new ways of working, and to achieve ongoing productivity savings, in an under-managed system. Work funded by the Health Foundation shows that delivering improvement in a complex operational environment requires highly developed management skills.[9,10] The presence of good managers across the service is therefore essential if change is to be delivered and maintained.

From 2009/10 to 2013/14 spending on GP services fell at an average rate of

1.3%

Spending by service area

Total spending on primary care by primary care trusts (PCTs) and clinical commissioning groups (CCGs) cannot be directly compared. Following the abolition of PCTs on 31 March 2013, the way GP services are commissioned in England has changed, and programmes such as NHS Health Checks for 40-74-year-olds are now part of local authorities' responsibilities.

Two major components of primary care are GP services* and prescribing costs. Spending on GP services fell at an average rate of 1.3% in real terms from 2009/10 to 2013/14. Funding for GP practices fell in 2010/11 and 2011/12, remained relatively consistent in 2012/13, and increased by 1.1% in real terms in 2013/14, rising from £8.17bn to £8.26bn (see figure 4).[11]

It is important to note that these figures include spending on information management and technology (IM&T) and out-of-hours services, both of which contribute to primary medical care investment but do not reach GP practices directly. Excluding spending on IM&T and out-of-hours services, funding received by GP practices fell at an average rate of 0.8% between 2009/10 and 2013/14, and increased by 0.4% in real terms between 2012/13 and 2013/14, rising from £7.54bn to £7.58bn.[11]

Since 2009/10, funding for all main components of secondary care has increased every year

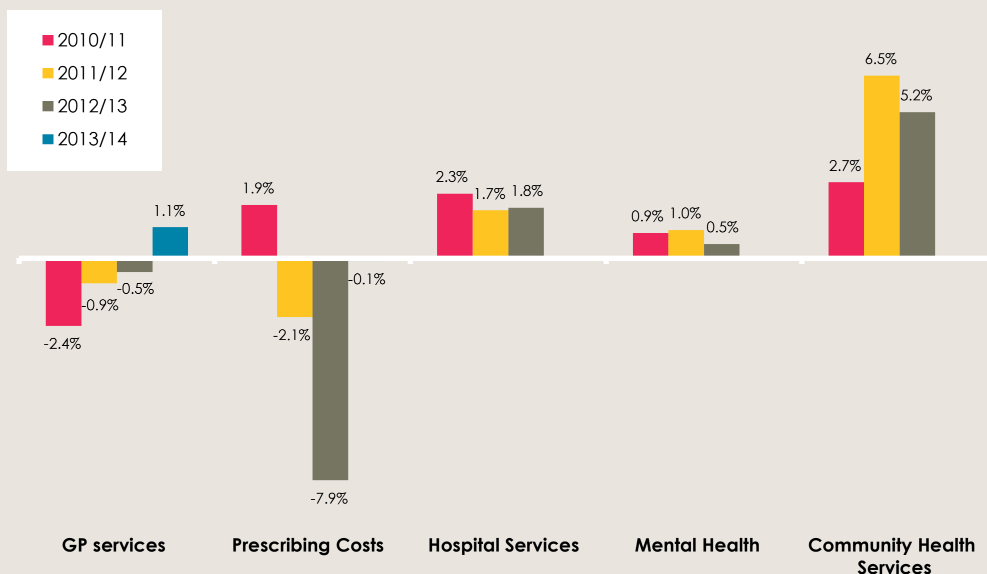
Prescribing costs fell in real terms between 2009/10 and 2013/14, at an average rate of 1.6%. Between 2012/13 and 2013/14 prescribing costs have remained relatively flat in real terms at £8.2bn in both years, following two consecutive years of funding cuts (see figure 4).[11]

Despite government ambitions to move care out of hospital, funding for secondary care services has increased at a faster rate than for the main components of primary care. Since 2009/10, funding for all main components of secondary care (mental health, community health and hospital services – including acute, emergency, general and maternity care) has increased every year. Between 2009/10 and 2012/13, funding for hospital services increased at an average rate of 2.0% (see figure 4).

Data on funding for hospital services, mental health and community services has not been published for 2013/14. Consequently, policies that aim to move care out of hospital and achieve parity of esteem between mental and physical health cannot be monitored in terms of funding (see figure 4).

* Funding for GP practices includes funding for General Medical Services (GMS), Personal Medical Services (PMS), Alternative Provider Medical Services (APMS) and other financial position, such as non-GMS or primary care trusts' medical services (PCTMS) contract types. It excludes reimbursement of drugs.

Figure 4: Percentage change from previous year in funding for a range of service areas



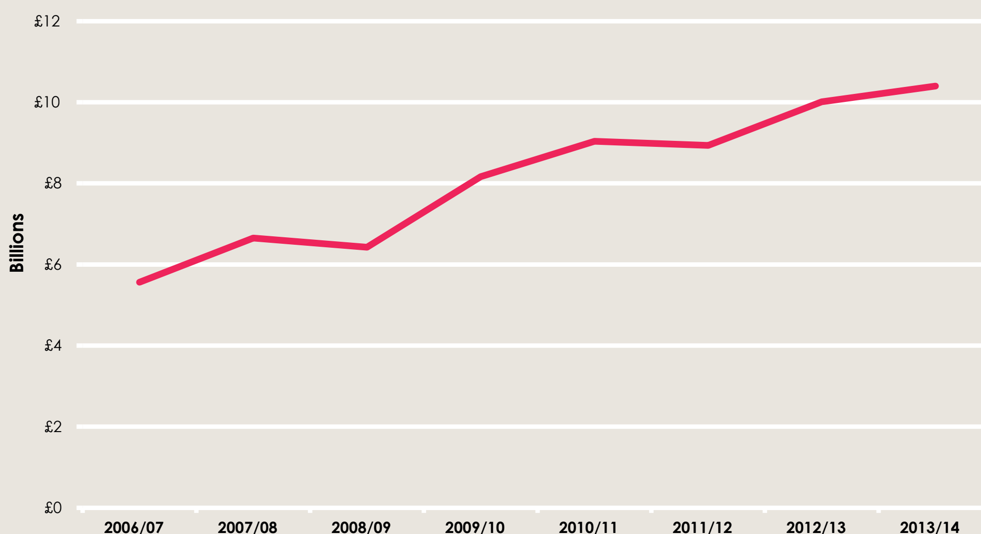
Source: *Investment in General Practice; 2009/10 to 2013/14 England, Wales, Northern Ireland and Scotland* (HSCIC, 2014); *Department of Health annual report and accounts 2013 to 2014* (Department of Health); PCT annual accounts 2010/11 to 2012/13.

Spending on non-NHS providers

Commissioners purchasing health care from non-NHS providers

Over the last eight years PCTs and, more recently, NHS England and CCGs have increasingly purchased health care from non-NHS providers. Between 2006/07 and 2013/14, NHS spending on care provision by non-NHS bodies increased at an annual average rate of 9% in real terms, rising from £5.56bn to £10.40bn (see figure 5).[12]

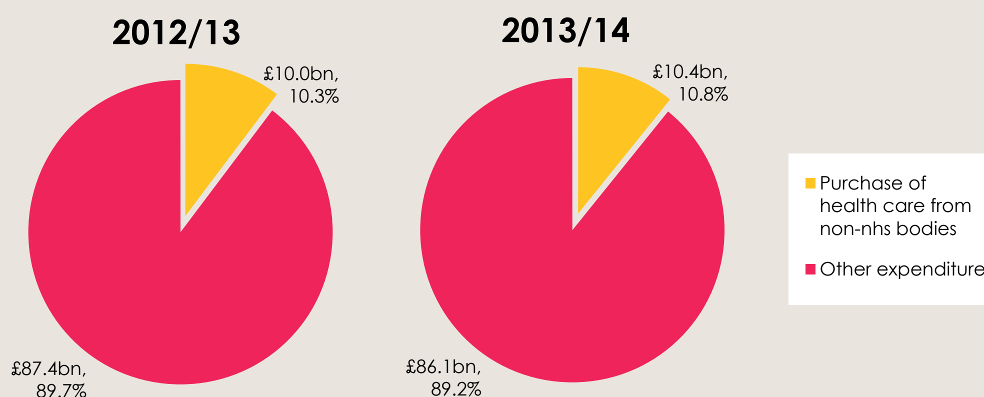
Figure 5: Purchase of health care from non-NHS providers from 2006/07 to 2013/14, (2014/15 prices)



Source: *National Health Service Commissioning Board annual report and accounts 2013/14* (NHS England); Primary care trusts' financial accounts from 2006/07 to 2012/13.

Over the last two financial years, purchasing of health care from non-NHS providers has continued to increase, rising from 10.3% of total commissioner expenditure in 2012/13 to 10.8% in 2013/14 (see figure 6). NHS England reported that it commissioned £10.4bn of health care services from non-NHS bodies in 2013/14. This represents an annual increase of 4% in real terms compared to PCTs' expenditure of £10.0bn in 2012/13.

Figure 6: Purchase of health care from non-NHS providers as a percentage of total spending



Source: *National Health Service Commissioning Board annual report and accounts 2013/14* (NHS England); Primary care trusts' financial accounts from 2006/07 to 2012/13.

In 2012/13, the most rapid increase in spending on non-NHS providers was for the provision of community health services (see table 3). From 2009/10 to 2012/13, total spending on community health services increased at an annual average rate of 4.8% from £8.8bn to £10.1bn. During this period spending on independent sector provision of NHS community health services increased from £0.9bn to £1.8bn in real terms and accounted for 18% of the total expenditure on community health services. At the same time, spending on NHS providers fell from £7.2bn in 2009/10 to £7.0bn in 2012/13 in real terms (table 3).[13]

Table 3: Primary care trust (PCT) spending on community health services provided by the NHS and non-NHS providers from 2009/10 to 2012/13 (2014/15 prices)

	PCT spending on NHS bodies (£bn, % total share)	PCT spending on independent service providers (ISP) (£bn, % total share)	PCT spending on voluntary and other (£bn, % total share)	Total PCT spending for community health services (£bn)
2009/10	7.24 (82%)	0.92 (10%)	0.65 (7%)	8.81
2010/11	7.26 (80%)	1.04 (11%)	0.74 (8%)	9.04
2011/12	7.09 (74%)	1.38 (14%)	1.12 (12%)	9.59
2012/13	6.99 (69%)	1.84 (18%)	1.31 (13%)	10.14

Source: Lafond S and others. *Into the red.* London: Nuffield Trust, 2014.

Between 2009/10 and 2013/14 the finance cost of PFI contracts for the NHS increased by 48% in real terms

Finance cost of Private Finance Initiative contracts

The Private Finance Initiative (PFI) provides a way to finance and provide public sector infrastructure and capital equipment. Under a PFI contract, a public sector authority pays a private contractor an annual fee to provide and maintain a building or other asset, typically over a period of 25 to 30 years. At the end of the contract, the public sector authority generally owns the asset.

The 'finance cost' refers to the cost of interest on obligation under PFI contracts. The total finance cost of PFI contracts for the NHS increased by an average of 8% a year in real terms between 2009/10 and 2013/14. This amounts to a 48% real terms increase over these four years, from £482m in 2009/10 to £715m. Although NHS spending on PFI interest in 2013/14 accounted for 1% of total operating costs, PFI interest is a particular burden for a number of individual trusts. In 2013/14, PFI interest accounted for up to 7.2% of total spending in one trust and 5.0% of total spending in seven others.[14]

Better Care Fund

The Better Care Fund (BCF) is a government initiative designed to increase cooperation between the NHS and local authorities by creating a shared budget to provide joined up health and care services to vulnerable and elderly people. Due to launch in April 2015, the BCF will have a pooled national budget totalling a minimum of £3.8bn. Some local authorities and CCGs have allocated more resources to the fund, meaning that in 2015/16 this pooled budget will amount £5.5bn.[15]

Between 2009/10 and 2013/14, hospital admissions increased every year at a rate of

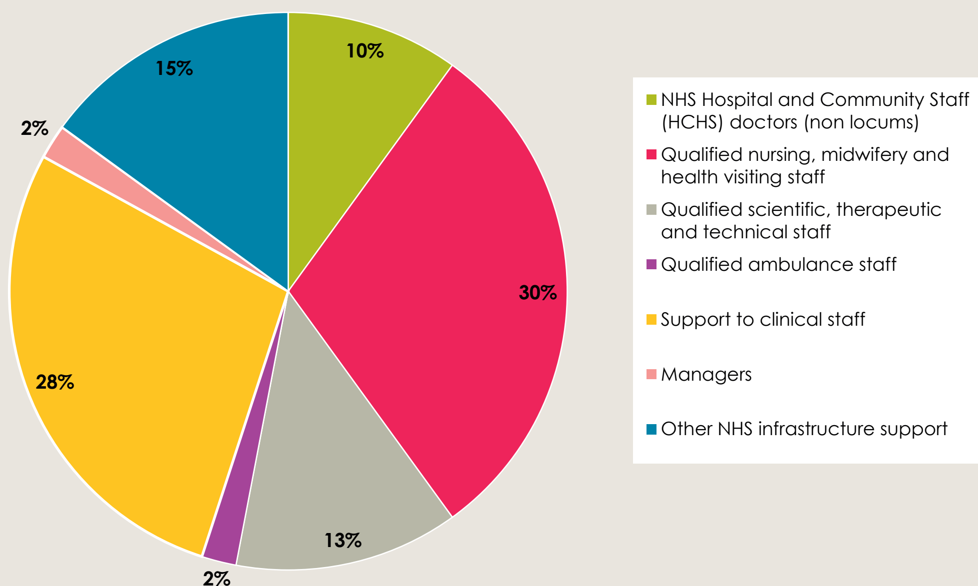
1.2%

The BCF aims to improve community health care and has a target of reducing hospital admissions by at least 3.5% from 2014 levels by 2015/16. In their September plans, local authorities estimated that the BCF would save a total of £532m by 2015/16 across health and social care. Of these savings, it is anticipated that £300m will be achieved through reduction in emergency admissions.[15] Between 2009/10 and 2013/14, hospital admissions increased every year at an average rate of 1.2%.[16] The National Audit Office (NAO) argues that even if emergency admissions fell by 3.5%, savings of £300m may be ambitious since acute trusts have significant fixed costs and large-scale changes would be needed to decommission services.[14]

Workforce

The average number of directly employed permanent staff in the NHS remained relatively stable between 2010/11 (1.06m) and 2013/14 (1.04m).[17] However, in recent years, the number of staff employed via bank and agency sources has increased rapidly, and there has been a shift of services to social enterprises, whose staff are not included in workforce calculations. Figure 7 shows the current NHS workforce skill mix, which has not changed significantly in recent years.

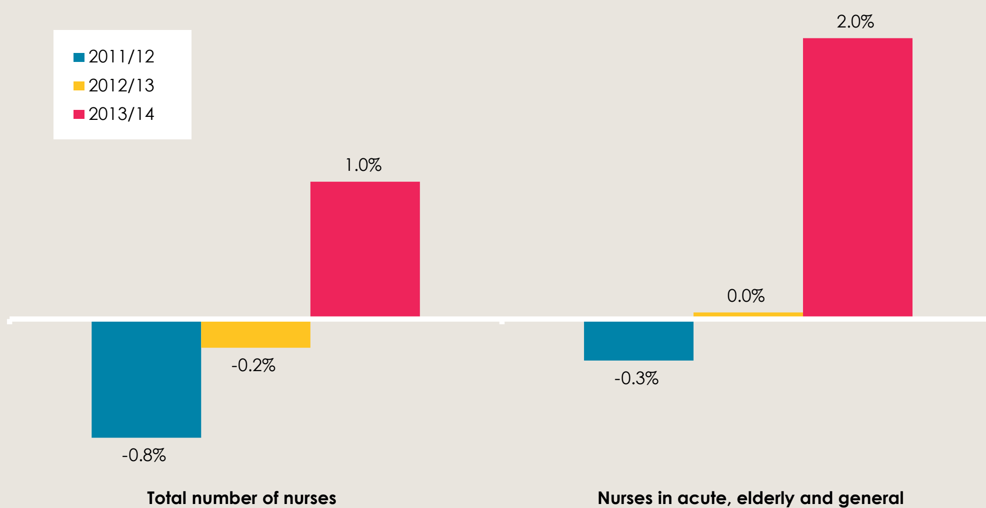
Figure 7: Skill mix in NHS workforce, 2013/14



Source: *2014 NHS Workforce Statistics - August 2014* (Health and Social Care Information Centre).

The Francis Inquiry report, published in February 2013, examined the factors that had led to the failures observed in Stafford Hospital, and highlighted lack of nursing staff as a key factor in those failures.[18] Following this, the total number of nurses working in the NHS increased by 1%, while the number of nurses in the acute sector increased more rapidly at an annual rate of 2% from 2012/13 to 2013/14 (see figure 8).[16]

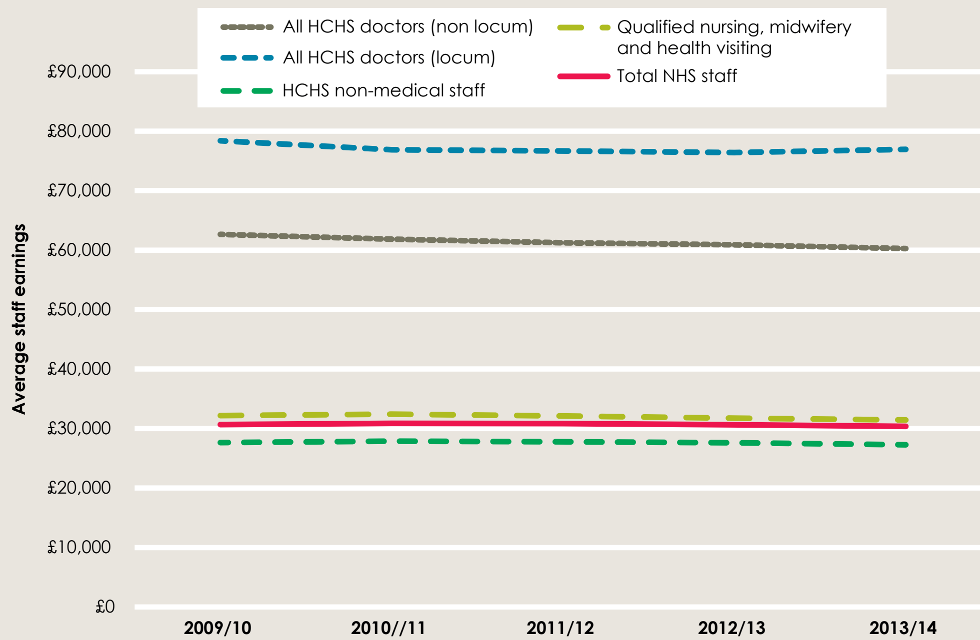
Figure 8: Annual change in the number of nurses from 2011/12 to 2013/14



Source: *2014 NHS Workforce Statistics - August 2014* (Health and Social Care Information Centre)

Between 2009/10 and 2013/14, the average earnings of NHS staff have remained relatively flat in real terms. Average earning across all staff fell slightly from £31,981 in 2009/10 to £31,402 in 2013/14.[19] The sharpest fall was in doctors' average earnings, which fell by 1.7% in real terms compared to 0.46% for the NHS as a whole (see figure 9).

Figure 9: Average NHS staff earnings from 2009/10 to 2013/14



Source: *NHS Staff Earnings Estimates to July 2014 - Provisional statistics* (Health and Social Care Information Centre)

Staff costs account for about two-thirds of NHS providers' total expenditure

Spending on temporary* staff increased by an average of 9% a year between 2009/10 and 2013/14, while spending on permanent staff increased by much less, at 3.5% a year in real terms. As a result, the share of total staff spending accounted for by temporary staff rose from 8% in 2010/11 to 10% in 2013/14.

* 'Temporary/non-permanent staff' includes those on inward secondment or loan from other organisations, agency staff and those engaged on a contract to undertake a project or other temporary task. It does not include amounts payable to contractors for services – that is, where the staff remain under the control of the contractor.

81%

of all acute hospital providers were in deficit by September 2014

NHS financial performance

In 2013/14, the net adjusted* deficit of NHS providers was £107m, with 66 trusts (42 foundation trusts** and 25 trusts†) reporting a deficit. In 2012/13, the restated net adjusted surplus was £580m‡ in real terms, with 28 trusts in deficit.[14]

Early indications suggests that NHS trusts' performance are deteriorating in 2014/15. For the second quarter of 2014/15, Monitor reported that foundation trusts had a net deficit of £254m.[20] The NHS Trust Development Authority also reported that NHS trusts had a net deficit of £376m, compared with a planned deficit of £317m.[21] The total net deficit for both NHS and foundation trusts for the second quarter of 2014/15 was £630m, with almost two-thirds of all trusts in deficit (81 foundation trusts and 60 NHS trusts). The total forecast net deficit by the end of 2014/15 is £553m.[19,20] The problems are concentrated in acute hospitals: by September 2014, across all NHS providers (NHS and foundation trusts) 81% of all acute hospital providers were in deficit, amounting to a net shortfall of just over £700m (see table 4).

Table 4: Net reported year-to-date surplus/deficit by sector, 2014/15 Q2

	Net reported surplus/deficit (£m)	Number of trusts in deficit	Total number of trusts	Proportion of trusts in deficit (%)
Acute	-714	115	142	81%
Ambulance	2	5	10	50%
Community	3	3	19	16%
Mental Health	49	12	56	21%
Specialist	30	6	18	11%
TOTAL	**-630**	**141**	**245**	**58%**

Source: *Paper D: Service and Financial Performance Report for September 2014* (NHS Trust Development Authority); *Performance of the foundation trust sector, 6 months ended 30 September 2014* (Monitor).

* Surplus/deficit before impairments and gains/(loss) from transfers by absorptions.

** Number of foundation trusts reporting a deficit after including the consolidation of charitable funds. Without the charitable funds, 41 foundation trusts reported a net deficit.

† Figure includes NHS Direct, which was dissolved in March 2014.

‡ 2012/13 restated figures based on NHS providers' 2013/14 financial accounts.

Between 2011/12 and 2013/14, the NHS reported savings of

£15 billion

NHS efficiency

A recent model analysing the efficiency of all acute providers found that hospital efficiency grew by between 1.2% and 1.3% a year between 2008/09 and 2012/13, after accounting for differences in hospital scale, quality, case mix and other uncontrollable cost drivers. It estimates that the average acute provider is 10% less efficient than the most efficient provider in the sector. Therefore, if an average provider became as efficient as the 60th percentile provider, further efficiency gains of between 0.9% and 1.2% a year could be achieved. If instead the average provider became as efficient as the 90th percentile provider the additional efficiency gain would be between 5.0% and 5.6%.[22]

In 2012, the government mandated NHS England to achieve efficiency savings worth £20bn by 2014/15, referred to as the Quality, Innovation, Productivity and Prevention (QIPP) savings. Between 2011/12 and 2013/14, the NHS reported £15bn of savings and it has forecast savings of £4.8bn for 2014/15. This puts it on track to deliver the required £20bn of efficiency savings (see table 5).[23]

Table 5: Quality, Innovation and Productivity (QIPP) savings, 2011/12 to 2014/15

Year	Outturn/forecast	Saving (£bn), cash terms	Saving (£bn), (2014/15 prices)
2011/12	Outturn	5.8	6.1
2012/13	Outturn	5.0	5.2
2013/14	Outturn	4.3	4.4
2014/15	Forecast	4.8	4.8
Total		19.9	20.5

Source: Correspondence with NHS England, 2014.

References

1 HM Treasury. *Public Sector Expenditure Analyses 2014.* www.gov.uk/government/statistics/public-expenditure-statistical-analyses-2014 (accessed September 2014).

2 HM Treasury. Autumn Statement 2014.www.gov.uk/government/uploads/system/uploads/attachment_data/file/382327/44695_Accessible.pdf (accessed December 2014).

3 Scottish Budget draft budget 2015-16. www.scotland.gov.uk/Resource/0046/00462296.pdf (accessed December 2014).

4 Northern Ireland draft budget 2015-16. www.northernireland.gov.uk/draft-budget-2015-2016.pdf (accessed December 2014).

5 Welsh government draft budget 2015-16. http://wales.gov.uk/docs/caecd/publications/131008draftbudgetnarrative1415.pdf (accessed December 2014).

6 Department of Health. Annual report and accounts 2013 to 2014. www.gov.uk/government/uploads/system/uploads/attachment_data/file/382327/44695_Accessible.pdf (accessed December 2014).

7 Santry C. Lansley's 'over-managed' NHS claim undermined by analysis. *Health Service Journal*, 21 July 2011. www.hsj.co.uk/news/finance/lansleys-over-managed-nhs-claim-undermined-by-analysis/5032766.article (accessed September 2014).

8 The Kings Fund. *The future of leadership and management in the NHS*. London, The King's Fund, 2011. www.kingsfund.org.uk/sites/files/kf/Future-of-leadership-and-management-NHS-May-2011-The-Kings-Fund.pdf (accessed September 2014).

9 Cragg R, Flanagan H, Hardacre J, Shapiro J, Spurgeon P. *What's leadership got to do with it?* London: The Health Foundation, 2011. www.health.org.uk/publications/what-s-leadership-got-to-do-with-it (accessed September 2014).

10 Ling T, Soper B, Buxto M, Hanney S, Oortwijn W, Scoggins A, Steel N. *How do you get clinicians involved in quality improvement?* London: The Health Foundation, 2010. www.health.org.uk/publications/how-do-you-get-clinicians-involved-in-quality-improvement/ (accessed September 2014).

11 Health and Social Care Information Centre. *Investment in General Practice; 2009/10 to 2013/14 England, Wales, Northern Ireland and Scotland.* www.hscic.gov.uk/catalogue/PU14900/inve-gene-prac-eng-wal-ni-scot-09-14-rep.pdf (accessed September 2014).

12 NHS England. *National Health Service Commissioning Board annual report and accounts 2013/14*. www.england.nhs.uk/wpcontent/uploads/2014/07/nhs-comm-board-ann-rep-1314.pdf (accessed September 2014).

13 Lafond S and others. *Into the red*. London: Nuffield Trust, 2014. www.nuffieldtrust.org.uk/sites/files/nuffield/publication/into_the_red.pdf (accessed September 2014).

14 Author's analysis of NHS providers' financial accounts, 2009/10 to 2013/14.

15 National Audit Office. *Planning for the Better Care Fund*. London: National Audit Office, 2014. www.nao.org.uk/report/planning-bettercare-fund-2/ (accessed December 2014).

16 Health and Social Care Information Centre. *2014 Provisional Monthly Hospital Episode Statistics for Admitted Patient Care, Outpatients and Accident and Emergency Data - April 2014 - July 2014* www.hscic.gov.uk/searchcatalogue?productid=16527&topics=2%2fHospital+care%2fAdmissions+and+attendances%2fAccident+and+Emergency+admissions&sort=Relevance&size=10&page=1#top (accessed September 2014).

17 Health and Social Care Information Centre. *2014 NHS Workforce Statistics - August 2014, Provisional statistics.* www.hscic.gov.uk/searchcatalogue?productid=16321&topics=0%2fWorkforce&sort=Relevance&size=10&page=1#top (accessed November 2014).

18 Francis R. *The Mid Staffordshire NHS Foundation Trust Public Inquiry*. 2013. www.midstaffspublicinquiry.com/report (accessed 15 January 2015).

19 Health and Social Care Information Centre. *NHS Staff Earnings Estimates to July 2014, Provisional statistics.* www.hscic.gov.uk/searchcatalogue?productid=16212&topics=0%2fWorkforce&sort=Relevance&size=10&page=1#top (accessed November 2014).

20 Monitor. *Quarterly report on the performance of the NHS foundation trust sector: 6 months ended 30 September 2014*. Monitor, 2014. www.gov.uk/government/uploads/system/uploads/attachment_data/file/378096/Q2_2014-15_Sector_Performance_Exec_Summary_for_Board.pdf

21 NHS Trust Development Authority. *Paper D: Service and Financial Performance Report for September 2014.* www.ntda.nhs.uk/blog/2014/10/28/board-meeting-20-november/ (accessed December 2014).

22 Deloitte. *Evidence for the 2015/16 national tariff efficiency factor – a report for Monitor.* See: www.gov.uk/government/uploads/system/uploads/attachment_data/file/332131/NationalTariff2015-16_EngagementLocalPayment.pdf (accessed December 2014).

23 Department of Health. *Making the NHS more efficient and less bureaucratic.* Department of Health, 2013. www.gov.uk/government/policies/making-the-nhs-more-efficient-and-less-bureaucratic (accessed September 2014).

About the author

Sarah Lafond joined the Health Foundation in August 2014 as an Economics Analyst.

Sarah joined The Health Foundation from the Nuffield Trust where she conducted financial analysis of NHS funding. Previously, Sarah worked at the Health Analytical Services of the Scottish Government where she worked on a number of health and social care projects and publications such as the integration of health and social care project and the new social care survey.

Sarah has a master's degree in ecological economics from University of Edinburgh. Her MSc dissertation was on the government cost of occupational cancer in Great Britain where she conducted a cost and benefits analysis of implementing a health policy to prevent occupational cancer. She graduated from McGill University in Canada with a degree in international development.

The Health Foundation is an independent charity working to improve the quality of health care in the UK.

We are here to support people working in health care practice and policy to make lasting improvements to health services.

We carry out research and in-depth policy analysis, run improvement programmes to put ideas into practice in the NHS, support and develop leaders and share evidence to encourage wider change.

We want the UK to have a health care system of the highest possible quality – safe, effective, person-centred, timely, efficient and equitable.

The Health Foundation
90 Long Acre
London WC2E 9RA

T 020 7257 8000
E info@health.org.uk

Registered charity number: 286967
Registered company number: 1714937

For more information, visit: **www.health.org.uk**

Follow us on Twitter: **www.twitter.com/HealthFdn**

Sign up for our email newsletter:
www.health.org.uk/enewsletter