



Finance bulletin

February 2025

The aim of this current awareness bulletin is to provide a digest of recent guidelines, reports, research and best practice.

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NHS England

- [Allocation of resources 2025/26](#)
- [Capital guidance 2025/26](#)
- [Priorities and operational planning guidance 2025/26](#)
- [Revenue finance and contracting guidance 2025/26](#)

Road to recovery: the government's 2025 mandate to NHS England

The [government's mandate to NHS England](#) sets out the objectives it should seek to achieve. This mandate will apply from 30 January 2025, until it is replaced. The objectives cover reforms to: cut waiting times; improve primary care access; improve urgent and emergency care; the operating model; and drive efficiency and productivity.

Capital efficiency: how to reform health care capital spending

This [report from NHS Confederation](#) finds that the NHS is being held back from most effectively spending the investment it has been given to repair its estates, purchase vital equipment and build new facilities due to the 'bureaucratic hurdles' that are slow, unclear and duplicative. The report sets out how the capital regime can be improved to deliver on the government's missions for health and economic growth.

Counting what matters: how to classify, account and track spending for prevention

Demos has been making the case for a fundamental shift in the purpose of government away from firefighting in public services towards preventing problems arriving. However, this approach raises concerns about both the feasibility of measuring preventive spending accurately and appropriately, but also that ring-fencing alone may not lead to the desired improvements in outcomes and value for money. [This paper, written with The Health Foundation](#), explores the challenge of measurement, and makes a series of recommendations to show how this could be appropriately achieved.

Do the poor gain more? The impact on health inequality of changes in public expenditure on secondary care

This [study from the Centre for Health Economics](#) examining mortality rates in England in 2018 found that, contrary to some previous studies, more deprived populations do not always benefit more from increases in public spending on secondary health care. The analysis showed that the middle deprivation group gained more from funding increases, and the poorest did not always experience the largest health benefits or costs from such funding.

Health care funding projections



This [analysis from the Health Foundation](#) presents an approach to modelling long-term projections of health care demand and funding.

Labour's 10-year plan for the NHS in England: what should it look like?

Pressures on the NHS are severe and the new government is producing a 10-year plan for reform to make the health service 'fit for the future'. Policy-makers have a long history of producing long-term plans for the NHS. But implementation has been mixed, and the political context, including levels of public spending and policy approach, has shaped their impact. This [briefing from the Health Foundation](#) looks at previous NHS long-term plans and draws on relevant evidence on NHS reform to identify priorities for the latest plan, due in the spring. It argues that government must provide hope, clarity, investment and focus on how change will happen in practice.

New Hospital Programme: plan for implementation

Following the 2024 General Election, the Secretary of State for Health and Social Care and the Chancellor set out to undertake a review of the New Hospital Programme to provide a realistic and affordable timetable for delivery. The [DHSC and HM Treasury have agreed a high-level plan for the programme](#), which has the flexibility to plan on the basis of a total spend of £15 billion in each five-year Spending Review period. The plan for implementation details the waves of delivery for the programme and summarises the findings of the review.

NHS financial sustainability

This [report from the Public Accounts Committee](#) argues that, while the government's forthcoming 10-year plan will be essential to the health service's recovery, senior health officials seem to be unambitious when it comes to taking the radical steps to begin to implement it. The government has laid out its planned 'three big shifts': from hospital-based to community care; from analogue to digital; and from treating ill health to prevention. The report makes recommendations in each of these areas.

NHS provider deficits are back: how bad is the situation?

This [long read from the Nuffield Trust](#) reveals that NHS provider trusts in England reported a £1.2 billion overspend in 2023/24 across the sector as a whole. The analysis shows that the underlying gap between stable incomes and outgoings across the provider sector was at least £4.5 billion. This raises questions about how feasible it is to hold down health care spending while increasing activity and performance standards.

Public expenditure in the last year of life

Supporting people at the end of life is an important element of public spending, yet there is little evidence available on how much money is being spent on it, and what that money goes on. [Nuffield Trust and the Health Economics Unit were commissioned by Marie Curie](#) to estimate the range of public expenditure that supports the care of people in their last year, to help inform national and local funding decisions to improve services for people at the end of life.

The preventative shift: how can we embed prevention and achieve long term missions

Published in collaboration with the Health Foundation, this discussion paper looks at how to shift the culture of public bodies to think 'prevention first' and target spending at activities that are value for money and improve outcomes. The [paper is part of an ongoing series of work by Demos](#) making the case for a more preventive state, one that shifts from



firefighting mode to preventing problems before they arise to improve people's lives and reduce the spiralling cost of public services.

The role of the chief financial officer in the NHS

This [report from the Chartered Institute of Public Finance and Accountancy \(CIPFA\)](#) aims to provide a definitive statement on the role of the chief financial officer (CFO) in NHS organisations. The report explores the nature of the work of the CFO in NHS organisations at national, regional and local level across the UK. It considers the competencies required and key themes, such as the opportunities and challenges they face, the nuances of operating within a political environment, and the importance of accountability, stewardship and sound ethical values.

When it comes to prevention spending in the NHS, 'some is not a number, soon is not a time'

This government wants to turn the health care system in England from a service that treats us when we are sick to a service that helps prevent ill health. That is going to need some fundamental rewiring of how money works in the NHS: how funding is distributed to different organisations, how payments and contracting systems are designed, and how financial performance is measured and managed. This [blog from the King's Fund](#) highlights a ideas of what that change could look like.

Why investing in children's mental health will unlock economic growth

This [report from Future Minds](#) finds that the current lack of capacity in the mental health system means that far too many young people reach crisis point, putting pressure on emergency, urgent and crisis services. The report argues that immediate and long-term costs of inaction are far greater than the investment that could be made now in cost-effective interventions that can help to turn the tide.