

16 March 2021

Dear Chancellor,

NHS budget uncertainty

I am writing to you on behalf of health leaders across the whole health system in England to urge you to provide immediate certainty to front-line organisations on their budget for 2021/22.

We understand the impact the pandemic has had on the public finances and the uncertainty this has caused. But we are just 17 days away from the new financial year and yet the NHS has still not got a finalised budget in place.

Failure to provide this certainty this week will impact on services and communities around the country. With the continued impact of the pandemic, the scale of the treatment backlog and additional demands for long-covid and mental health before us, this would put too many services in a perilous position at the start of the 'recovery phase' as the NHS plots a way out of the pandemic.

Scale of the challenge ahead

Last week's NHS performance figures were a timely reminder of the huge disruption to NHS services and patients caused by Covid-19.

The good news is that 1.3 million patients received non-Covid care in January. Given the major surge of Covid-19 cases in January, this shows the enormous lengths NHS staff and their teams have gone to maintain care for patients. The NHS is not, and never has been, a Covid-only service and our members will continue to do everything in their power to manage the twin challenge of responding to demand for covid and routine services.

However, the scale of the challenge ahead is huge. We have 4.6 million patients waiting to start treatment, with over 300,000 people now waiting over a year. As our recent analysis has shown, the true demand for elective care could become even greater when referrals for treatment begin to increase again following a 30 per cent drop last year. And that doesn't include the surge in long-covid and demand for mental health that NHS leaders are reporting.

What needs to happen next?

We wrote to the Prime Minister earlier this year to urge the government to address the need for long-term investment in NHS services and to be willing to start an honest debate about what it will take to tackle the backlog alongside the increased demands for long Covid care and mental health

support. That is still very much required, and we are looking to your comprehensive spending review later this year to provide the answers.

But, in the meantime, there is a more immediate task to settle and that is finalising the NHS budget for the new financial year which starts in just 17 days' time.

We very much welcomed your personal commitment to give the NHS "whatever it needs" to meet the extra costs of responding to the pandemic. We are concerned that this commitment has not translated into budget certainty for 2021/22. Our members are clear that they cannot absorb these costs into the current five-year funding settlement for the NHS.

It is simply not possible for acute, community, mental health, ambulance, primary care and other key front-line services to address the recovery of NHS services, whilst still dealing with the pandemic, unless there is an agreed NHS budget for next year. NHS leaders are struggling to comprehend why they are in this position. They desperately require certainty, and we urge you to conclude negotiations on the NHS' budget for 2021/22 this week. This certainty will enable front-line organisations to get on with planning services for their local communities.

As part of this, NHS leaders urgently need access to capital funding to order new equipment and make the necessary changes needed to buildings and infrastructure. These changes are essential if we are to remodel wards, GP surgeries, ambulance call centres and other health care settings to respond to the ongoing demands for infection control. Investing now will ensure that we are well prepared for next winter. It may sound far off but planning for next winter needs to start soon, otherwise any extra funding that comes later in the year will not have the desired effect.

Should the Treasury's budget discussions with the NHS fail to conclude this week, then we face the very real prospect of some services, particularly in the first few months of the new financial year, having to be cut back. Tough decisions on priorities will be inevitable. No one wants to be put in this position but planning for service delivery in April and beyond is nigh on impossible without a confirmed budget in place.

After the toughest year in the NHS' history, this would further damage the morale of NHS staff who are facing up to another seismic year when you look at the scale of the treatment backlog before us.

As ever, we would welcome the opportunity to discuss these concerns and opportunities with you and your team. In the meantime, we will continue to work closely with your officials and those in the arms-length bodies to provide support where we can.

Yours sincerely,



Danny Mortimer
Chief Executive
NHS Confederation